FORECAST OF GEORGIA & ATLANTA

U1880-2

1991-1992
Five-Year Forecast of Atlanta

GEORGIA STATE UNIVERSITY
COLLEGE OF BUSINESS ADMINISTRATION

November 1990

Dr. Donald Ratajczak, Director

ECONOMIC FORECASTING CENTER

GEORGIA'S RECESSION SHOULD END AFTER MID-1991

Dr. Donald Ratajczak
Director
Economic Forecasting Center

SUMMARY

Our coincident indicators suggest that the Georgia economy stalled during the summer, when GSP experienced no growth even as the nation was able to struggle to a 1.8% gain. However, seasonally adjusted employment began falling in the spring and weakness intensified during the early fall. Therefore, Georgia's economy probably is in recession at this time and should continue to trend downward until next spring. Even with a modest second half recovery next year, employment in Georgia should grow less than 20,000. Moreover, the recovery is projected to be weak, with job gains of only 53,000 in 1992. The unemployment rate, which temporarily touched a seasonally adjusted 6.4% in September should continue rising to nearly 7% late in 1991 before gradually subsiding in 1992.

Of course, job weakness will further dampen population gains. After averaging nearly 1.6% per year during the decade, population gains have slowed to 1.2%. Those sluggish growth rates should persist through 1992.

Georgia's gross state product probably increased 1% during 1990 and should show little growth for 1991 before rebounding to a 2.5% gain in 1992. Only in the latter year will Georgia's economy outperform the nation. Indeed, nonfarm personal income should gain only 5.6% in 1991, following a subpar 5.9% gain in 1990. A more normal 7.1% gain is expected in 1992.

This weakness clearly is concentrated in manufacturing and construction, but finance, real estate, business services and even federal employment also are weak. The deployment of troops to the Persian Gulf actually has reduced purchasing power in the state. Other military reductions also are affecting defense payrolls in Georgia.

A modest first half rebound in taxable sales has been reversed by renewed sluggishness following the onset of the Persian Gulf crisis. Because recessionary budget reserves were used last year, before the recession began, Georgia's budget currently is spending $330 million more than its revenues. During the first quarter of the new fiscal year, revenues grew 4.6%, which is less than the 5.1% projected to meet budgeted spending. Only a judge's ruling that stays the exemption of certain food items from sales taxes has prevented the state from suffering a fiscal crisis.

Despite all the gloom, however, most of the weakness already has occurred. Construction should not fall further from September employment levels, transportation equipment already is at a low level, although some temporary layoffs for inventory purposes are continuing, but the state government has stopped its hiring. While textiles and apparel are continuing to decline and the transportation services sector looks shaky, the fall quarter may be the worst one in this downturn. By mid-year, employment gains are expected again and the recession should be over before the end of the year.

RECENT CONDITIONS

Georgia's leading indicators turned negative in the first quarter of 1989, but the degree of weakness was not significant until the second quarter of 1990, when it experienced its largest decline since the first quarter of 1982. The weakness continued during the summer months, with all indicators except residential permits showing further declines for the quarter. Even the summer rebound in housing permits is from a 25% decline during the previous six months. Consumer spending remained sluggish as represented by sales tax receipts while nonresidential construction contracts softened through the summer. The greatest signal of weakness was in initial unemployment claims, which soared through the summer, especially after the Lakewood auto assembly plant was permanently closed by GM in August. A shrinking of the manufacturing workweek at the end of summer suggested that further declines in manufacturing payrolls are likely. The leading indicators currently suggest that the decline will be only half as severe as in 1982, which was only a moderate recession for Georgia. However, the indicators have not yet signalled an end to the downturn.

Our coincident indicators suggest that Georgia's GSP grew 2.8% in 1989, or slightly better than the 2.5% gain nationwide. The economy then slowed to a 1.7% gain during the mild winter, a 0.4% gain in the spring, and no growth during the summer. A decline of nearly 2% currently is suggested by the leading indicators for the fourth quarter. The important index of hours worked in the Georgia economy peaked in March but showed only downward drift until the Lakewood layoffs in August. Further layoffs in apparel, textiles, fabricated metals, and plastics along with continuing declines in finance and some retail units have preserved this weakness. However, if consumer sentiment had not plunged following the Persian Gulf problem and if troop deployments had not reduced populations at some forts in the state, a continuing economic decline may have been avoided. Unfortunately, these local problems have combined with reduced activity in the national market to substantially slow economic activity. A rebound probably will be needed in these national conditions before Georgia can fully shake these recessionary pressures.

According to preliminary employment data, jobs fell another 8500 after seasonal adjustment in September. Most of the weakness was in durable manufacturing and construction. Although construction has fallen to 4.8% of total employment, no rebound from these historically low concentration levels is evident. Construction related manufacturing also showed weakness through September. However, the bulk of the lost durable manufacturing jobs was related to the 2200 jobs lost with the Lakewood plant closing. As GM has not yet designated another model for the Doraville plant, which is only operating one shift, that company may be in the process of leaving Georgia after 1992. The concentration of aeronautics at the Marietta plant for Lockheed can only partially offset this important loss in transportation equipment.

Not all manufacturing is soft. Paper and rubber continue to expand, albeit slowly. Communications continue expanding as AT&T is moving people in and Contel has not yet begun to move people out. Insurance, lodging and health services also are growing. Also, state government continues to grow despite the difficult budget conditions. Non-educational local government also is growing modestly. Therefore, some pockets of strength remain in the Georgia economy, but even some of those, e.g. communications and state government, will slow in the next few months.

A sluggish 1.4% increase in Georgia's nonfarm personal income during the spring was slightly less than the 1.5% reported nationwide. Only a few Georgia sectors performed differently than nationwide. Those performing better in the nation included durable manufacturing (1.2% v 0.6%), services (2.6% v 1.6%), and federal government (2.4% v 1.7%). State government also showed smaller earnings than in the nation. Only transportation and communications showed significantly larger earnings in Georgia than in the nation, while earnings in construction declined more nationwide than in Georgia. Although wages and salaries in Georgia were lower than nationwide, so was unemployment compensation, which grew 1.7% locally and 6.1% nationally.

By the second quarter, nonfarm personal income in Georgia was only 6% above previous year levels. At that time, inflation was about 4%, which meant a 2% gain in real purchasing power. Of course, the Persian Gulf crisis has accelerated price increases to nearly 5.5% for the year. With no evidence of any acceleration in

earnings, this means that real purchasing power is barely increasing at the end of 1990. However, savings had not fallen as sharply in Georgia as in the nation prior to the Gulf crisis. Taxable sales were only 3.6% above previous year levels during the second quarter. Assuming services were growing 8%, that suggests that savings were growing slightly. Of course, the acceleration of inflation because of rising oil prices sent savings down during the second half of 1990. Therefore, a 2.2% growth in retail employment during 1990 now appears excessive and will need to slow. Similar slowing in wholesale trade is likely because of lost consumer purchasing power.

Taxable sales in Albany fell slightly early this year and, at 3%, still trailed the state by mid-year. Athens, on the other hand, continued to register taxable sales well above gains statewide at 5.5%. Atlanta also experienced gains in taxable sales above the state average at 4.9%. The best performance was in Augusta, at 6%. Columbus (3.3%) and Macon (2.7%), were slightly below state averages, while Savannah continued to register outright declines (-1.0%). The weakness in Columbus and Macon reversed previous relative gains for those areas.

Georgia's insured unemployment returned to early spring rates in September at 1.6%. The rate was 1.5% for Atlanta. These remain well below the 2.4% insured unemployment rate nationwide, although the gap is narrowing. A temporary surge to a seasonally adjusted 6.6% apparently occurred for Georgia's unemployment rate in September, but some of this may have been caused by statistical problems. In the past year, Georgia's employment as measured by household surveys was near the 38 thousand gain in payrolls, suggesting little need for revisions next year. Georgia's labor force has slowed to only a 1.1% gain from the previous year, but this remains better than the 0.5% gain in the nation.

In August, four metropolitan areas had the same 4.7% unemployment rate. In Athens the unemployment rate was rising because of a slowing in employment gains. Strong employment gains in Augusta dropped its unemployment rate from 5.2% a year ago. Macon also experienced a slight decline in unemployment from a year ago as the labor force fell more than employment. Like Augusta, Savannah experienced strong employment gains to reach its 4.7% rate. Despite generating 82% of all new jobs in the past year, according to the household surveys, Atlanta's unemployment rate edged higher to 5.4%. A sharp fall in employment sent the Columbus unemployment rate up to 6.3%, while a sharper drop in the labor force than in employment led to a decline in the unemployment rate in Albany from 8.1% to 7.2%. Certainly, those areas experiencing reduced unemployment because of a falling labor force have little to cheer.

Payroll estimates of employment in Albany also are showing no employment growth. Strong gains are occurring in food processing (could it be candy or beer), but they are offset by weakness in construction and trade. The previous strength in government has vanished.

Employment gains in Athens also have turned sluggish. Textile and apparel declines are providing most of the weakness in manufacturing. The transportation services and finance sectors also are weaker. Offsetting this sluggishness is substantial strength in retail trade (clearly unsustainable with these manufacturing declines) and government. Further sluggishness and possible employment declines are likely here as retailing seeks balance with the smaller industrial base in Athens.

Payroll estimates of employment in Augusta are now trailing gains in the household surveys. (Earlier this year the household surveys were weaker than the payroll estimates.) Augusta's apparel industry has bucked the state trend by increasing more than 11% in employment. Strong growth also is apparent in construction and the service sectors. the finance sector remains weak while the government sector is growing only as rapidly as payroll employment. Construction employment is surprisingly high at 9% of the workforce. Moreover, growth has been unusually strong in the past year, suggesting some imbalances might be developing. During the first six months of this year, housing permits fell a sharp 20%.

Payroll employment declines are not as weak as the household estimates in Columbus, but recession probably arrived during the spring. Construction is off sharply, while trade, finance and real estate also are weak. While the strength in printing may continue, gains in the service and government sectors are not likely to continue.

Activity has been further weakened by a reduction in military population. Residential permits are down 20% from the previous year while taxable sales after adjustment for inflation are off more than 1%. Because of the reduced military population in the Columbus area, weakness should intensify, especially in the service and trade sectors, before the recession begins to recede.

Payroll estimates of employment in Macon are slightly better than the household estimates. Construction and federal government payrolls are off sharply, but the paper industry continues to grow. The finance and insurance sectors also are stronger than elsewhere. Modest reductions in force at Warner-Robbins probably will cause further weakness in the government, retail and service sectors. Initial unemployment claims have grown sharply while residential permits are off 22% from the previous year. Some of the aerospace developments have been delayed indefinitely. Therefore, Macon will struggle to generate positive employment gains during 1991.

Payroll and household estimates of employment show similar strong gains for Savannah. Construction and durable manufacturing have weakened (although the transportation equipment sector, which includes Gulfstream, shows some gains). However, strong gains in the paper industry and some gains in food processing have offset these weaknesses. Savannah may be the tenth port in container traffic at the end of this year, with traffic up 6% (as compared to 2% for the U.S.). This port activity may account for the strong employment gains in transportation services. Other services and local government also are growing strongly. Obviously, 40% of employment gains cannot continue to come from transportation services, but a recession should be avoided in Savannah. Certainly, an increase in the manufacturing workweek and little change in initial unemployment claims suggest that no recession is near. However, housing permits are down 20% while nonresidential construction contracts are unchanged from a year ago.

Fixed rate mortgages have peaked and should drift slowly downward to less than 10% by spring and to 9.5% by next fall. However, adjustable rate mortgages already have been falling. Thus, mortgage rates no longer are inhibiting housing growth, but slow population gains are.

A judge may have saved Georgia from serious fiscal strife by blocking the selected food exemption in the sales tax that was to occur in September. The state clearly needs that revenue, as the 5.1% budgeted gains have been met by only 4.6% actual gains in the first quarter of this fiscal year. With the Gulf crisis adding to economic weakness, further revenue problems are sure to surface. Thus, revenue growth may fall below 4% even without the loss of $170 million to food exemptions. Although Governor elect Zell Miller campaigned on exempting food from sales taxes, the state's budget does not appear to allow that possibility any time soon. Revenue gains were more favorable in September, with a 6.7% increase. However, the 4.6% increase from the previous year for the quarter compares to 5.6%, 10.8%, 16.1%, 15.1% and 12.5% in previous quarters. Revenue gains of only 4% are projected for this year with only a 6.5% gain projected for the next fiscal year prior to returning to more wholesome 8% gains in the absence of changes in the tax base in the subsequent year.

Sales tax receipts were satisfactory for the summer, with a 6.3% gain. They were up 6.8% in September, but strong auto sales probably added to that performance. In previous quarters, with the aid of a tax increase, sales taxes were up 14.7%, 36.1%, 37.7%, 30.9%, and 21.8%. For all state and local governments, sales tax receipts rose a comparable 6.2% for the summer. This is faster than the 4.1% gain in the spring for all local governments, but less than the 6.9%, 6.8%, 7.0%, and 6.5% gains of the previous quarters. Personal income taxes were up a sluggish 4.4% for the quarter but 7.6% for September. This is slightly better than the 1.7% and 3.3% gains in previous quarters, but pales alongside the 7.1%, 8.2%, 18.9%, and 17.4% gains before that. Again, this compares with the national gain of 4.6% and 2.5% in the summer and spring. Corporate tax accruals in Georgia fell 2.6% for the quarter but gained 1.7% in September. This was an improvement on the 4.9% decline in the previous quarter or the 25% plunge in the winter, as tax collection timing was changing. Because of energy earnings, all state and local governments experienced an estimated 16% gain in corporate tax accruals. In the previous quarter, accruals fell 7.4%. In previous quarters the declines were 13.5%, 21.5%, 16.1% and 5.6%. Thus, the less favorable corporate performance in Georgia represents the absence of oil earnings. Otherwise, Georgia's tax collections are very similar to those experienced in all state and local governments.

SUMMARY OF OUTLOOK

The sluggishness Georgia experienced because of a shrinking durable manufacturing base would have been reversed by winter in the absence of the Persian Gulf Crisis. However, higher oil prices will significantly reduce consumer spending and accentuate the decline in construction activity. Despite recent declines in mortgage interest rates, job worries are preventing any gains in housing activity, probably until the spring. After growing an anemic 1% during 1990, Georgia's gross state product may be unchanged in 1991 before rebounding by nearly 2.5% in 1992. Only in the latter year will performance outstrip the United States.

Only 19,400 new jobs are expected to be created in Georgia in 1991. Those few jobs will be in communications, retail trade, insurance, lodging, health services and state and local governments. However, budget constraints will prevent any serious growth even in the government sector. Along with construction, all the durable goods industries, apparel, textiles, chemicals, and mining will experience employment declines. Employment also will be falling in finance, real estate, business services(including temporary services), and federal government. Military payrolls also will be reduced, as troops previously occupying several forts in Georgia will be in the Middle East, and their families have returned to their non-Georgia homes. Most of this weakness should be building during the first half of the year. Then, falling oil prices should return some purchasing power to Georgia pockets, some troops may be returning home, export activity should be improving(although Georgia ranks near the bottom in the share of manufacturing output shipped abroad), and the Contel layoffs should be completed. Partially offsetting these declines will be some gains at Lockheed and further growth at AT&T in Atlanta and Covington.

Unemployment, which was unchanged at 5.6% in 1990, should rise to 6.4% in 1991, before peaking near 7% by the end of that year. Some decrease in the unemployment insurance balances is likely, although no serious jeopardy to that program is expected.

Population growth rates already have slowed because of the recession nationwide and in Georgia. Continued modest growth at only 1.2% is expected during the next few years. This will limit the rebound in housing activity and the surge in retail sales following the termination of the national decline.

Farm income appears to have increased despite drought effects in large parts of the state. The peanut crop was cut by a third, corn yields were sharply reduced and soybean production fell. With good crops elsewhere, prices were unsatisfactory for the diminished harvest. However, gains in poultry and other products maintained modest growth in farm income. Further modest gains are expected next year, despite the higher costs of farming caused by the Gulf Crisis.

Property income has slowed sharply as savings have begun to dwindle and interest rates have begun to fall. Thus, despite some improvement in wage earnings, total personal income continued to slow to less than a 6% gain in 1990. Although all sectors should experience earnings increases, the rebound in transportation earnings as Eastern rebuilt its Atlanta hub will not be duplicated by any other sector in 1991. Therefore, personal income should slow further to only a 5.6% gain before returning to a more normal 7% gain in 1992.

Although our indicators do not show a downturn as severe as 1982, which was moderate for Georgia, this is largely because the state has been stumbling for nearly 2 years. Now that the Lakewood plant is permanently closed, only a permanent closure of the Doraville plant could possibly create serious problems. However, sluggishness throughout the state will continue to reduce employment until next year. The state needs to attract more high wage durable manufacturing to replace the wages that have been lost in that sector during the past two years. Unfortunately, transportation patterns for parts may preclude Georgia from attracting another auto assembly plant, but more work on developing durable manufacturing in general and export activity in particular is needed to re-establish the strong employment gains that Georgia experienced in the past decade.

IN ATLANTA, ALL THE BAD NEWS IS OUT

RECENT CONDITIONS AND OUTLOOK

Even with the Lakewood auto assembly closing, employment fell only 2100 jobs in September after seasonal adjustment in Atlanta. This is far below the weakness experienced statewide. Of course, the layoffs at Contel have been delayed because of problems completing the GTE merger, while vans are moving in AT&T people and what remains of the aeronautics division of Lockheed at Burbank. Also, the MCI merger with Telecor actually added to employment in the Atlanta area. Only troubled GTE seems not to recognize that Atlanta has become a substantial communications center.

Although Atlanta also is losing textile, apparel, and chemicals jobs, those industries are not as important to Atlanta as they are to the state. Food processing and the printing and paper industries still show some growth in Atlanta. Construction is down, but it should not fall as hard as in the state, at least until some large commercial projects are completed in the next two years. By that time, additional public activity for airport expansion and highway development may pick up any slack.

Manufacturing should remain sluggish in 1991, but the projected levels for that year already have been reached in September's seasonally adjusted numbers. Thus, no further significant declines in manufacturing are expected. Some gains are likely toward the end of next year, as the national economy finally stabilizes.

Although the rebound in transportation services following Eastern's hub rebuilding cannot be duplicated, modest gains in transportation services are likely as new international flights come to Atlanta.

Estimated personal income has been nearly as sluggish in Atlanta as around the state. Lost wages in durable manufacturing as GM slowly abandoned the city and as Lockheed found itself between projects significantly slowed personal income last year. Indeed, wage and salary gains were smaller in Atlanta than in the remainder of the state, as Atlanta was last in durable manufacturing earnings of all 273 cities regularly surveyed by the Commerce Department. Slower gains in services will add to income sluggishness this year. Thus, income gains should remain near 6% next year before approaching 7% a year later. These will be comparable to gains in the state.

Such sluggish gains in purchasing power have not deterred Atlantans from increasing their taxable sales. During the second quarter, sales rose a modest 4.9%, but exceeded gains throughout the state. However, these gains are not apparent in the retail trade reports for the nation. According to that source, retail trade in Atlanta is down 1.7% for the first seven months of this year. Nondurable sales fell 1.3% in this report, but department stores showed a 6% gain. Nationwide, sales were up 4.2%, with nondurables growing 5.8% and department stores growing only 5.5%. Thus, Atlanta's small merchants must be doing poorly according to the Commerce statistics, even as sales tax collections say they are doing reasonably well. As a region, the South Atlantic now exceeds the U.S. in retail sales growth in the latest month from a year ago.

The rebound in sales suggests either that Atlantans are dipping into their savings slightly to maintain purchases or that tourist and convention activity has increased. If the former is correct, some slowing in purchases is likely as higher oil prices further transfer wealth out of the state. As employment in trade already has slowed to less than a 2% gain, little further contraction is expected in that sector despite this lost purchasing power.

As in the state, the finance, real estate, and business services continue to decline. Other services are growing, but the surge in employment for state education is expected to slow abruptly. Federal payrolls should dip now that the Census is completed and the military needs fewer provisions throughout the state.

Only 15,000 new jobs are expected in Atlanta in 1991, but that will be nearly 80% of those throughout the state. This compares to only 36,100 new jobs in 1990. However, all the bad news, aside from the possible closing of Doraville after 1992, is out. As the Olympics begins to draw near, some substantial construction job gains can be expected. Also, lodging, retailing, and services should benefit strongly from this wealth transfer into the city by 1996. However, the oil wealth transfer away from Atlanta appears to be on a par with the Olympics and must be weathered first. Even in 1992, a sluggish 34,400 new jobs are expected in Atlanta.

Clearly, this job outlook leads to rising unemployment. Already the insured unemployment rate has increased to 1.5%, well above the 0.9% cyclical low recorded less than a year ago. The unemployment rate already has increased to 5.4% in 1990 and should peak above 6.5% early in 1992.

Slower job growth means slower population gains. The 3% annual gains of the 1980s already had given way to 2.4% gains estimated for 1989. By 1992, population growth may have slowed to 1.8%. Stronger gains are expected thereafter, as our five year projections show gains of 2.14%. However, this is substantially slower than previously projected.

Slower population growth means less need for housing. The 54,000 units permitted in 1984 may never be seen again, at least not in this century. Potential housing demand probably will fall to 25,300 by 1992. Some gains from that level are expected in subsequent years. In 1990, housing activity was even less than potential need because of the collapse of apartment activity. However, uncertainty and high finance charges caused actual absorption to fall below potential. As those conditions reverse next year, some reduction in housing inventory is likely, even as activity continues to fall further. Financing has now sharply curtailed apartment activity, especially in Cobb county. The mature condition of Dekalb's market also will prevent substantial apartment activity there. Clayton county's apartments also are due for substantial slowing. Substantial, but slowing apartment activity is expected for Fulton, while some modest recovery is anticipated in Gwinnett. . Henry and Newton also are expected to have some apartment activity in the next two years. Nevertheless, apartment construction should continue to be restricted for at least two more years by high vacancies, a surprisingly large number of projects under re-organization, and low rental rates.

Although excess inventory exists for single family units, most construction has reached a sustainable base. The reduction in housing units required to restore balance between demographics and units is occurring in the apartment sector. Eventually, that absence of supply will raise rents, causing renters to seek ownership. At the same time, some price concessions and a substantial (more than 10%) erosion of land prices should lower the construction cost of housing. Market balance should develop in 1991. Most of the growing counties are far from the urban center, where land prices allow affordable housing. Gwinnett county also should show modest growth in housing activity in 1991. Modest growth also is expected in 1992.

Nationwide, the construction slump has begun to eat into commercial inventories according to Coldwell Banker. The suburban vacancy rate has fallen to 20.5% while the downtown rate remains at 17%. In Atlanta, downtown vacancies have increased to 16.2% while suburban vacancies have declined to 18.7%. However, new downtown properties probably will send that vacancy rate above 22% when they are completed toward the end of next year. The metropolitan vacancy rate fell to 18.4% from 18.8%.

In addition to excess new space being developed downtown and in Midtown, Atlanta suffers from acute industrial space indigestion. Although vacancies stabilized in the latest quarter, they were at 8.3% according to Coldwell Banker, well above the 6.9% national rate, which also is considered excessive. Of course, the good news is that vacancies are no longer rising, but further construction restraint will be needed to re-establish desirable inventories.

In this relatively gloomy setting, the rebound in taxable sales is modestly encouraging. The recovery in Cobb is especially noteworthy (from 0.6% in the winter to 18.2% in the spring). Other strong gains were in Cherokee (11.9%) and Douglas (16.0%). Gwinnett also showed some surprising strength with a 9.8% gain. Fulton slowed to only a 1.3% gain (as Underground passed its first anniversary), while Dekalb remained sluggish at 0.6%. Housing activity in Paulding and Henry remain inconsistent with their sales growth, which remains minimal. Other counties outperforming the 3.4% for the state include Clayton (5.7%), Coweta (6.3%), Fayette (7.5%), Newton (3.8%), and Rockdale (5.2%).

SUMMARY OF ATLANTA OUTLOOK

Although the good news is that the bad news is out, not all the bad news has been absorbed. Contel still will sharply diminish its 1400 payroll during the next six months. National Data Corporation is struggling. Even the rebound at Hartsfield is questionable as higher jet fuel clearly jeopardizes the recovery of Eastern and probably places Delta domestic expansions on hold. Lockheed will add jobs next year even if no new products develop. They have a shot at one product that could again add thousands of jobs in Cobb county. The small corporations still continue their rapid gains in the favorable Atlanta environment for new service company development.

Nevertheless, economic activity is weak. Probably more than a billion dollars of purchasing power is flowing away from Atlanta because of higher oil prices. This is comparable to the impact from the Olympics in 1996. Further oil price increases could severely strain the trade and finance sectors and cause even slower population gains than currently are projected. This forecast already is significantly less robust than our last projections. Further weakness is possible.

Despite this overhang of uncertainty, a rebound in activity should begin next year. Employment gains will remain slow into 1993, but no further erosion in manufacturing or the important service sectors is anticipated during this forecast period. Thus, Atlanta may narrowly avoid the designation of a recession, but employment has been falling on a seasonally adjusted basis during the summer. Only a little more weakness would require the use of the "r" word.

Table 1

Georgia Wage & Salary Employment (Seasonally Adjusted) for 1987-89 with Forecasts through 1992

Georgia State University
College of Business Administration
Economic Forecasting Center
November 1990

Description	Quarterly Seasonalized Data IV 89	I 90	II 90	III 90	Sept(P)	Annual Percentage Change 89/88	90/89	91/90	92/91	Annual Average 1988	1989	1990(F)	1991(F)	1992(F)
1. MANUFACTURING	568.1	566.3	563.6	558.3	553.9	-1.1	-1.4	-1.7	0.3	574.3	568.1	560.4	550.8	552.3
2. DURABLE GOODS	218.8	216.7	217.2	214.6	210.3	-2.5	-2.3	-2.8	0.6	225.1	219.4	214.5	208.5	209.8
3. LUMBER AND WOOD	32.1	31.4	31.3	31.0	30.8	-5.5	-4.9	-1.3	-0.3	34.6	32.7	31.1	30.7	30.6
4. FURNITURE AND FIXTURES	10.7	10.7	10.7	10.5	10.4	-1.7	-4.0	-4.7	1.0	11.2	11.0	10.6	10.1	10.2
5. STONE, CLAY, AND GLASS	19.2	18.7	18.1	17.9	17.9	-5.9	-6.6	-2.2	0.0	20.6	19.4	18.1	17.7	17.7
6. PRIMARY METAL INDUSTRY	15.2	15.4	15.2	15.0	14.9	-2.0	-0.7	-2.6	0.0	15.5	15.2	15.1	14.7	14.7
7. FABRICATED METAL	22.1	22.3	22.4	21.9	21.6	2.8	2.0	-2.7	1.4	21.0	21.6	22.0	21.4	21.7
8. MACHINERY EXC ELECTRIC	29.4	29.7	29.3	28.4	28.1	7.0	0.6	-4.2	-1.1	26.8	28.7	28.9	27.7	27.4
9. ELECTRIC & ELECTRONIC	31.9	33.0	33.6	33.0	32.6	2.6	2.9	-1.8	0.9	31.3	32.1	33.0	32.4	32.7
10. TRANSPORTATION EQUIP	42.6	40.1	41.0	41.3	38.4	-12.6	-7.2	-4.5	2.1	49.5	43.3	40.2	38.4	39.2
11. OTHER DURABLE GOODS	15.5	15.4	15.5	15.5	15.6	6.7	0.2	-0.6	1.3	14.5	15.5	15.5	15.4	15.6
12. NONDURABLE GOODS	349.4	349.6	346.4	343.7	343.6	-0.2	-0.8	-1.0	0.1	349.3	348.7	345.9	342.3	342.5
13. FOOD AND KINDRED	61.5	61.7	61.9	61.3	61.3	2.3	0.9	0.5	1.0	59.7	61.1	61.6	61.9	62.5
14. TEXTILE MILL PRODUCTS	111.3	110.7	109.3	108.0	107.9	1.4	-1.9	-2.0	-0.7	109.7	111.2	109.0	106.8	106.0
15. APPAREL & TEXTILE	63.1	62.9	61.7	61.1	61.1	-5.0	-3.3	-1.9	-1.0	67.1	63.8	61.7	60.5	59.9
16. PAPER & ALLIED PRODUCT	33.2	33.1	32.6	32.7	32.9	4.2	-0.2	-0.3	0.6	31.5	32.9	32.8	32.7	32.9
17. PRINTING & PUBLISHING	38.0	38.7	38.6	38.4	38.5	-2.4	2.2	0.3	1.3	38.7	37.8	38.6	38.7	39.2
18. CHEMICALS & ALLIED	19.9	19.7	19.7	19.6	19.5	0.7	1.0	-1.5	0.0	19.3	19.4	19.6	19.3	19.3
19. OTHER NONDURABLE GOODS	22.4	22.8	22.5	22.5	22.5	-2.8	-0.2	-0.9	1.3	23.3	22.6	22.6	22.4	22.7
20. TOTAL NONMANUFACTURING	2406.0	2454.9	2447.5	2446.9	2442.8	3.2	3.1	1.2	2.1	2303.7	2377.3	2450.8	2479.8	2531.3
21. MINING	8.7	8.8	8.7	8.7	8.7	-1.2	-0.6	-0.7	0.7	8.9	8.8	8.7	8.6	8.7
22. CONSTRUCTION	147.4	150.1	146.4	144.2	141.7	-2.2	-0.6	-3.3	1.1	149.9	146.5	145.6	140.8	142.3
23. TRANSP, COMM & PUB UT	186.1	188.2	190.1	189.9	190.2	0.9	3.1	0.7	0.9	182.3	183.9	189.7	191.0	192.7
24. TRANSPORTATION	114.0	116.3	117.0	116.5	116.7	0.9	4.0	0.6	1.0	111.1	112.1	116.6	117.3	118.5
25. COMMUNICATION	44.8	44.4	45.5	46.2	46.3	1.1	2.4	1.3	0.9	44.2	44.6	45.7	46.3	46.7
26. UTILTIES	27.2	27.5	27.5	27.3	27.2	0.4	0.9	0.0	0.4	27.0	27.2	27.4	27.4	27.5
27. WHOLESALE & RETAIL TRADE	754.8	773.0	770.1	769.6	769.8	2.5	2.4	1.1	1.8	734.3	752.3	770.6	778.8	793.0
28. WHOLESALE TRADE	225.3	229.9	230.5	229.1	229.8	3.6	2.9	0.6	1.4	215.6	223.3	229.8	231.2	234.5
29. DURABLE GOODS	148.4	150.7	150.2	149.6	150.4	3.7	2.7	0.5	1.3	141.1	146.3	150.2	150.9	152.8
30. NONDURABLE GOODS	76.9	79.2	80.2	79.5	79.4	3.4	3.4	0.9	1.7	74.4	77.0	79.6	80.3	81.7
31. RETAIL TRADE	529.5	543.1	539.7	540.5	540.0	2.0	2.2	1.3	2.0	518.8	529.1	540.8	547.6	558.5
32. FINANCE, INSUR & RL EST	163.0	164.6	163.1	163.9	164.1	1.4	0.3	0.4	1.2	161.2	163.5	164.0	164.6	166.5
33. FINANCE	76.2	75.6	75.1	75.2	75.2	0.8	-2.1	-0.8	0.4	76.2	76.9	75.3	74.7	75.0
34. INSURANCE	54.9	56.0	55.6	56.4	56.4	2.6	3.5	2.5	2.4	52.9	54.2	56.1	57.5	58.9
35. REAL ESTATE	32.0	33.0	32.4	32.3	32.5	1.0	0.7	-0.6	0.6	32.0	32.4	32.6	32.4	32.6
36. SERVICES	625.9	640.3	634.4	633.5	635.1	6.4	4.7	2.6	3.2	573.1	609.5	638.4	654.8	675.7
37. HOTELS & OTHER LODGING	43.9	45.4	45.1	45.1	45.7	6.0	6.5	3.8	3.4	40.1	42.5	45.3	47.0	48.6
38. BUSINESS SERVICES	142.5	148.7	146.5	144.0	142.0	7.4	4.5	-1.2	2.2	129.4	139.0	145.3	143.5	146.7
39. HEALTH SERVICES	149.6	153.2	154.5	155.6	156.0	5.8	5.9	4.5	4.1	138.3	146.2	154.8	161.7	168.4
40. GOVERNMENT	520.0	529.9	534.7	537.2	533.1	3.8	4.1	1.4	2.1	494.2	512.8	533.8	541.2	552.4
41. FEDERAL GOVERNMENT	100.7	102.7	106.7	103.5	102.0	1.3	2.8	-2.1	0.1	99.5	100.9	103.7	101.5	101.6
42. DEFENSE	37.0	36.8	36.4	36.0	35.8	2.6	-2.1	-1.9	-0.8	36.0	37.0	36.2	35.5	35.2
43. OTHER FEDERAL	63.6	65.9	70.4	67.5	66.2	0.6	5.7	-2.2	0.6	63.5	63.9	67.5	66.0	66.4
44. STATE & LOCAL GOVERNMENT	419.3	427.2	427.9	433.6	431.2	4.4	4.4	2.2	2.5	394.6	411.9	430.1	439.7	450.8
45. STATE GOVERNMENT	127.9	129.1	130.1	131.6	132.3	6.4	5.3	2.1	2.8	116.8	124.3	130.8	133.6	137.3
46. STATE EDUCATION	51.5	51.4	51.7	52.9	53.5	6.2	5.2	3.2	3.5	46.9	49.8	52.4	54.1	56.0
47. OTHER STATE GOVT	76.4	77.8	78.4	78.7	78.8	6.4	5.3	1.4	2.3	70.0	74.5	78.4	79.5	81.3
48. LOCAL GOVERNMENT	291.5	298.0	297.8	302.1	298.9	3.6	4.1	2.3	2.4	277.8	287.6	299.3	306.1	313.5
49. LOCAL EDUCATION	154.6	157.3	157.0	161.5	157.9	4.6	3.6	2.8	3.0	146.3	153.0	158.5	163.0	167.9
50. OTHER LOCAL GOVT	136.8	140.7	140.9	140.6	141.0	2.4	4.6	1.6	1.7	131.5	134.6	140.8	143.1	145.6
51. TOTAL NONAG. PAYROLL	2974.2	3021.3	3011.1	3005.1	2996.8	2.3	2.2	0.6	1.7	2878.0	2945.4	3011.2	3030.6	3083.6
52. CIVILIAN UNEMPL. RATE	5.6	5.1	5.1	6.0	6.6					5.9	5.6	5.6	6.4	6.7

Source : Data (in 1000's) seasonally adjusted by Forecasting Center.
Sept(P) is seasonally adjusted preliminary September employment. 1990 (F), 1991(F) and 1992(F) are forecasted values.

Table 2

Georgia Personal Income for 1987-89 with Forecasts through 1992

Georgia State University
College of Business Administration
Economic Forecasting Center
November 1990

Description Quarterly Personal Income	Quarterly Data III89	 IV89	 190	 II90	Annual percent change 88/87	 89/88	 90/89(F)	 91/90(F)	 92/91(F)	Annual Average 1988	 1989	 1990(F)	 1991(F)	 1992(F)
By Place of Residence														
1. Total Personal Income	103686	104799	107737	109102	8.6	6.7	5.9	5.6	7.0	96860	103312	109451	115550	123682
2. Nonfarm Personal Income	102483	103657	106160	107685	8.5	6.7	5.9	5.6	7.1	95547	101958	107968	113990	122047
3. Farm Personal Income	1203	1142	1578	1417	18.2	3.2	9.5	5.2	4.8	1313	1355	1483	1560	1635
Derivation of Income														
4. Total Earnings	79988	80631	83085	84152	8.3	5.2	5.5	5.2	7.3	75905	79863	84283	88626	95092
5. less: SSI Contribution	4827	4854	5070	5092	11.9	8.4	6.0	6.0	8.5	4439	4812	5100	5407	5864
6. plus: Residence Adj	-110	-106	-119	-122	-29.6	-28.5	11.6	6.4	5.3	-157	-112	-125	-133	-140
7. equals: Net Earnings	75050	75670	77896	78938	8.2	5.1	5.5	5.1	7.2	71310	74938	79058	83086	89088
8. plus: Div, Int, Rent	15159	15375	15496	15700	11.2	14.6	6.0	5.2	5.2	13038	14947	15843	16673	17540
9. plus: Transfer Paymnts	13478	13754	14345	14464	8.5	7.3	8.4	8.5	8.0	12513	13428	14550	15791	17054
10. State UI Benefits	247	258	294	299	-1.2	13.3	19.5	11.7	-2.0	227	257	307	343	336
11. Tnsfrs less SUIB	13231	13496	14051	14165	8.7	7.2	8.1	8.5	8.2	12286	13171	14243	15448	16718
By Place of Work														
12. Components of Earnings														
13. Wages and Salaries	65658	66154	67747	68781	7.9	5.0	5.2	5.3	7.5	62288	65402	68776	72436	77888
14. Other Labor Income	6142	6234	6459	6554	8.0	6.2	7.7	7.3	8.0	5764	6120	6593	7076	7643
15. Proprietors Income	8188	8243	8880	8816	12.0	6.2	6.9	2.2	4.9	7854	8342	8914	9114	9561
16. Farm	1049	986	1421	1258	20.9	3.4	10.0	4.8	4.4	1161	1201	1321	1385	1446
17. Nonfarm	7139	7257	7459	7559	10.6	6.7	6.3	1.8	5.0	6693	7141	7593	7729	8115
Earnings By Industry														
18. Farm	1203	1142	1578	1417	18.2	3.2	9.5	5.2	4.8	1313	1355	1483	1560	1635
19. Nonfarm	78785	79488	81508	82734	8.1	5.2	5.5	5.2	7.3	74593	78507	82800	87066	93457
20. Private	65433	65912	67630	68669	8.2	4.7	5.4	5.2	7.4	62303	65242	68741	72334	77695
21. Ag Svc, Fish, Etc	349	349	357	355	8.7	3.4	5.6	3.6	4.1	327	338	357	370	385
22. Mining	336	338	352	355	15.2	2.0	5.9	3.1	6.5	332	339	359	370	394
23. Construction	4698	4593	4877	4804	4.4	-2.0	1.5	0.6	5.6	4804	4708	4778	4805	5075
24. Manufacturing	14726	14454	14793	14976	4.2	1.4	2.0	2.1	6.0	14421	14622	14907	15227	16143
25. Nondurable Goods	8352	8247	8481	8626	4.7	3.1	3.7	2.9	5.6	8061	8309	8613	8864	9357
26. Durable Goods	6374	6208	6312	6350	3.4	-0.7	-0.3	1.1	6.6	6359	6313	6294	6363	6786
27. Trans and Pub Utils	6846	7160	7627	7922	5.6	2.0	12.3	5.7	6.4	6898	7037	7905	8357	8896
28. Wholesale Trade	7607	7587	7544	7664	12.4	7.2	1.8	4.6	7.0	7029	7535	7673	8029	8591
29. Retail Trade	7889	7907	8034	8119	8.3	3.5	3.5	5.1	7.5	7598	7863	8136	8547	9189
30. Fin, Ins, and RE	5272	5397	5423	5551	6.0	3.5	5.7	4.4	5.7	5105	5281	5582	5826	6159
31. Services	17709	18127	18624	18925	13.2	10.9	8.7	9.2	9.9	15792	17519	19044	20803	22863
32. Gvt and Gvt Entprs	13352	13577	13878	14065	8.0	7.9	6.0	4.8	7.0	12289	13266	14059	14732	15762
33. Federal, Civilian	3018	3035	3165	3218	8.4	5.8	4.9	2.3	5.1	2854	3019	3168	3240	3406
34. Military	1660	1658	1720	1723	3.1	3.1	3.9	-1.5	6.8	1605	1655	1720	1694	1809
35. State and Local	8675	8884	8993	9124	8.9	9.7	6.7	6.8	7.6	7830	8592	9171	9798	10547
36. % of US Nonfarm	2.36	2.35	2.37	2.37						2.39	2.37	2.37	2.36	2.39
37. Population					1.8	1.5	1.2	1.2	1.2	6339	6436	6515	6592	6674

Source : Bureau of Economic Analysis
1990(F), 1991(F) and 1992(F) are forecasted values.

Table 3

Atlanta Wage & Salary Employment (Seasonally Adjusted) for 1987-89 with Forecasts through 1992

Georgia State University
College of Business Administration
Economic Forcasting Center
November 1990

Description	Quarterly Seasonalized Data IV 89	I 90	II 90	III 90	Sept(P)	Annual Percentage Change 89/88	90/89	91/90	92/91	Annual Average 1988	1989	1990(F)	1991(F)	1992(F)
1. MANUFACTURING	177.8	178.1	178.8	176.4	173.5	-3.6	-1.0	-1.7	1.0	184.7	178.1	176.4	173.4	175.2
2. DURABLE GOODS	88.0	87.3	87.6	85.6	83.0	-7.0	-3.6	-3.4	1.0	95.5	88.8	85.6	82.7	83.5
3. LUMBER AND WOOD	3.7	3.5	3.4	3.3	3.3	-22.3	-11.3	-2.9	0.0	4.9	3.8	3.4	3.3	3.3
4. FURNITURE AND FIXTURES	3.9	3.9	3.8	3.6	3.6	-4.7	-5.9	-5.4	2.9	4.1	3.9	3.7	3.5	3.6
5. STONE, CLAY, AND GLASS	8.5	8.8	8.4	8.5	8.5	-4.8	-2.5	-1.2	0.0	9.2	8.7	8.5	8.4	8.4
6. PRIMARY METAL INDUSTRY	6.7	6.9	6.7	6.6	6.6	2.8	-0.3	-1.5	0.0	6.5	6.7	6.7	6.6	6.6
7. FABRICATED METAL	9.4	9.4	9.5	9.4	9.1	-1.7	-1.1	-1.1	2.2	9.6	9.4	9.3	9.2	9.4
8. MACHINERY EXC ELECTRIC	11.0	11.4	11.4	11.4	11.4	8.0	6.7	-0.9	-0.9	9.9	10.7	11.4	11.3	11.2
9. ELECTRIC & ELECTRONIC	15.7	15.9	15.7	15.4	15.2	-1.7	-0.5	-2.6	0.7	15.8	15.6	15.5	15.1	15.2
10. TRANSPORTATION EQUIP	21.7	20.1	20.8	20.4	17.9	-20.9	-12.9	-8.6	1.7	28.7	22.7	19.8	18.1	18.4
11. OTHER DURABLE GOODS	7.4	7.4	7.4	7.3	7.3	7.7	1.3	-1.4	2.8	6.7	7.2	7.3	7.2	7.4
12. NONDURABLE GOODS	89.8	90.8	91.1	90.9	90.5	0.1	1.6	-0.1	1.1	89.2	89.3	90.8	90.7	91.7
13. FOOD AND KINDRED	20.3	20.8	21.2	21.4	21.4	0.4	3.9	1.9	1.4	20.3	20.4	21.2	21.6	21.9
14. TEXTILE MILL PRODUCTS	7.9	7.8	7.6	7.5	7.5	3.1	-2.9	-2.6	0.0	7.6	7.8	7.6	7.4	7.4
15. APPAREL & TEXTILE	9.6	9.8	10.0	9.5	9.3	-7.4	-1.4	-4.2	-2.2	10.5	9.7	9.6	9.2	9.0
16. PAPER & ALLIED PRODUCT	9.7	9.5	9.5	9.6	9.6	7.1	-1.2	1.0	1.0	9.1	9.7	9.6	9.7	9.8
17. PRINTING & PUBLISHING	24.2	24.8	24.7	24.7	24.7	0.6	2.8	0.8	1.6	23.9	24.0	24.7	24.9	25.3
18. CHEMICALS & ALLIED	9.9	9.9	9.9	9.9	9.8	3.1	4.0	0.0	2.0	9.2	9.5	9.9	9.9	10.1
19. OTHER NONDURABLE GOODS	8.1	8.3	8.3	8.2	8.0	-6.0	1.2	-2.4	2.5	8.6	8.1	8.2	8.0	8.2
20. TOTAL NONMANUFACTURING	1287.8	1313.8	1312.5	1312.0	1312.7	3.0	3.0	1.4	2.4	1237.7	1275.1	1312.9	1330.9	1362.5
21. MINING	1.2	1.2	1.2	1.2	1.2	-11.9	-7.7	-5.0	0.0	1.5	1.3	1.2	1.1	1.1
22. CONSTRUCTION	67.3	69.4	68.5	67.2	66.6	-4.1	-0.4	-2.4	1.1	71.0	68.1	67.9	66.3	67.0
23. TRANSP, COMM & PUB UT	123.5	125.4	127.0	127.9	128.0	0.5	5.1	1.3	1.0	120.3	120.9	127.0	128.6	129.9
24. TRANSPORTATION	78.2	79.9	80.2	81.0	81.1	-0.4	6.0	1.4	1.1	76.3	76.0	80.5	81.6	82.5
25. COMMUNICATION & UTILITY	45.3	45.5	46.8	46.9	46.9	2.0	3.6	1.1	0.9	44.0	44.9	46.5	47.0	47.4
26. WHOLESALE & RETAIL TRADE	412.4	419.6	418.9	418.2	418.9	2.6	1.8	1.3	2.0	401.1	411.7	419.0	424.4	432.7
27. WHOLESALE TRADE	144.8	146.9	146.9	145.8	146.5	3.3	1.9	0.7	1.8	139.2	143.9	146.6	147.6	150.3
28. DURABLE GOODS	105.1	106.2	105.6	105.0	105.9	4.3	1.8	0.7	1.7	99.6	103.9	105.7	106.4	108.2
29. NONDURABLE GOODS	39.7	40.7	41.3	40.8	40.7	0.8	2.3	0.7	2.2	39.7	40.0	40.9	41.2	42.1
30. RETAIL TRADE	267.6	272.7	272.0	272.4	272.4	2.3	1.7	1.6	2.0	261.9	267.9	272.4	276.8	282.4
31. FINANCE, INSUR & RL EST	106.0	106.6	105.8	105.7	106.0	2.3	0.1	0.4	1.6	103.5	105.8	105.9	106.3	108.0
32. FINANCE	45.0	44.7	44.5	44.2	44.2	1.2	-2.2	-0.9	0.5	44.8	45.4	44.4	44.0	44.2
33. INSURANCE	38.5	39.2	38.8	39.5	39.8	3.1	3.2	3.1	3.2	36.9	38.1	39.3	40.5	41.8
34. REAL ESTATE	22.5	22.7	22.4	21.9	21.9	3.0	-0.7	-1.8	0.9	21.7	22.3	22.2	21.8	22.0
35. SERVICES	364.8	374.5	372.1	371.6	372.6	6.0	4.5	2.6	3.9	336.7	356.8	372.7	382.4	397.3
36. HOTELS & OTHER LODGING	24.0	24.3	24.3	24.1	24.4	0.6	2.8	2.9	2.8	23.5	23.6	24.3	25.0	25.7
37. BUSINESS SERVICES	101.1	104.5	102.7	101.0	99.9	7.1	2.4	-1.8	2.4	92.8	99.4	101.8	100.0	102.4
38. HEALTH SERVICES	67.6	69.4	70.3	70.6	70.9	5.5	6.3	4.8	5.2	62.7	66.1	70.3	73.7	77.5
39. GOVERNMENT	212.6	217.1	219.0	220.2	219.3	3.4	4.1	1.2	2.1	203.6	210.5	219.2	221.8	226.5
40. FEDERAL GOVERNMENT	42.7	43.3	45.2	44.0	43.3	-0.9	2.1	-2.3	0.5	43.5	43.1	44.0	43.0	43.2
41. DEFENSE	6.2	6.0	5.8	5.8	5.7	1.9	-5.4	-5.2	-1.8	6.0	6.1	5.8	5.5	5.4
42. OTHER FEDERAL	36.6	37.3	39.4	38.3	37.7	-1.3	3.4	-1.8	0.8	37.5	37.0	38.2	37.5	37.8
43. STATE & LOCAL GOVERNMENT	169.9	173.8	173.9	176.2	176.0	4.5	4.7	2.1	2.5	160.2	167.4	175.2	178.8	183.3
44. STATE GOVERNMENT	45.8	46.6	46.7	48.1	48.4	8.1	7.9	2.5	2.9	40.7	44.0	47.5	48.7	50.1
45. STATE EDUCATION	16.6	17.0	17.2	18.2	18.7	12.4	13.4	3.9	4.3	14.0	15.7	17.8	18.5	19.3
46. OTHER STATE GOVT	29.1	29.6	29.5	29.9	30.0	5.8	4.8	1.7	2.0	26.8	28.3	29.7	30.2	30.8
47. LOCAL GOVERNMENT	124.1	127.2	127.1	128.0	127.7	3.3	3.5	1.9	2.4	119.4	123.3	127.7	130.1	133.2
48. LOCAL EDUCATION	61.1	62.8	63.2	64.8	64.0	4.1	4.1	2.4	2.9	58.8	61.2	63.7	65.2	67.1
49. OTHER LOCAL GOVT	63.0	64.4	64.4	63.3	63.7	2.6	3.0	1.4	1.8	60.6	62.2	64.0	64.9	66.1
50. TOTAL NONAG. PAYROLL	1465.6	1490.9	1491.5	1488.2	1486.1	2.2	2.5	1.0	2.2	1422.4	1453.2	1489.3	1504.3	1537.7
51. CIVILIAN UNEMPL. RATE	5.2	4.7	4.8	5.6	6.4					5.2	5.2	5.4	6.2	6.4

Source : Data (in 1000's) seasonally adjusted by Forecasting Center.
Sept(P) is seasonally adjusted preliminary September employment. 1990 (F), 1991(F), and 1992(F) are forecasted values.

Table 4

Atlanta Personal Income for 1985-88 with Forecasts through 1992

Georgia State University
College of Business Administration
Economic Forecasting Center
November 1990

Description Annual Personal Income	Annual Average 1986	1987	1988	1989(F)	1990(F)	1991(F)	1992(F)	Annual Percentage Change 87/86	88/87	89/88(F)	90/89(F)	91/90(F)	92/91(F)
By Place of Residence													
1. Total Personal Income	42124	46357	50354	53690	56937	60275	64428	10.1	8.6	6.6	6.0	5.9	6.9
2. Nonfarm Personal Income	41971	46235	50207	53540	56770	60099	64243	10.2	8.6	6.6	6.0	5.9	6.9
3. Farm Personal Income	153	123	147	150	167	176	185	-19.8	19.5	2.3	11.3	5.4	5.1
Derivation of Income													
4. Total Earnings	35798	39467	42846	44917	47498	50169	53638	10.3	8.6	4.8	5.7	5.6	6.9
5. less: SSI Contribution	2060	2245	2528	2731	2900	3088	3312	8.9	12.6	8.0	6.2	6.5	7.3
6. plus: Residence Adj	-1038	-1190	-1288	-1186	-1243	-1265	-1292	14.7	8.2	-7.9	4.8	1.8	2.1
7. equals: Net Earnings	32699	36032	39030	41000	43355	45816	49034	10.2	8.3	5.0	5.7	5.7	7.0
8. plus: Div, Int, Rent	5619	6277	6926	7965	8462	8905	9395	11.7	10.3	15.0	6.2	5.2	5.5
9. plus: Transfer Paymnts	3805	4048	4397	4725	5120	5554	5999	6.4	8.6	7.5	8.4	8.5	8.0
By Place of Work													
10. Components of Earnings													
11. Wages and Salaries	30082	33149	36056	37704	39770	42082	45018	10.2	8.8	4.6	5.5	5.8	7.0
12. Other Labor Income	2848	3163	3401	3605	3886	4170	4504	11.1	7.5	6.0	7.8	7.3	8.0
13. Proprietors Income	2868	3156	3388	3608	3842	3917	4116	10.0	7.4	6.5	6.5	2.0	5.1
14. Farm	144	113	137	139	155	163	171	-21.3	21.2	1.4	11.5	5.2	4.9
15. Nonfarm	2724	3042	3251	3469	3687	3754	3945	11.7	6.9	6.7	6.3	1.8	5.1
Earnings By Industry													
16. Farm	153	123	147	150	167	176	185	-19.8	19.5	[illegible]	11.3	5.4	5.1
17. Nonfarm	35645	39345	42699	44767	47331	49993	53453	10.4	8.5	4.8	5.7	5.6	6.9
18. Private	31352	34600	37499	39160	41383	43736	47196	10.4	8.4	4.4	5.7	5.7	7.9
19. Ag Svc, Fish, Etc	115	135	149	153	161	167	173	17.4	9.7	3.1	5.2	3.4	4.0
20. Mining	52	65	70	64	63	62	66	23.9	7.7	-8.7	-1.2	-1.2	5.8
21. Construction	2540	2693	2805	2696	2741	2782	2938	6.0	4.1	-3.9	1.7	1.5	5.6
22. Manufacturing	5322	5665	5830	5751	5867	5990	6398	6.4	2.9	-1.4	2.0	2.1	6.8
23. Nondurable Goods	2228	2420	2604	2693	2857	2966	3161	8.6	7.6	3.4	6.1	3.8	6.6
24. Durable Goods	3095	3245	3226	3058	3009	3024	3236	4.9	-0.6	-5.2	-1.6	0.5	7.0
25. Trans and Pub Utils	4101	4604	4885	4963	5673	6030	6422	12.3	6.1	1.6	14.3	6.3	6.5
26. Wholesale Trade	4586	4955	5591	5977	6025	6308	6774	8.0	12.8	6.9	0.8	4.7	7.4
27. Retail Trade	3692	4043	4338	4503	4638	4889	5255	9.5	7.3	3.8	3.0	5.4	7.5
28. Fin, Ins, and RE	3021	3409	3766	3932	4148	4331	4595	12.8	10.5	4.4	5.5	4.4	6.1
29. Services	7921	9031	10065	11122	12067	13177	14574	14.0	11.4	10.5	8.5	9.2	10.6
30. Gvt and Gvt Entprs	4293	4744	5200	5606	5948	6257	6257	10.5	9.6	7.8	6.1	5.2	0.0
31. Federal, Civilian	1122	1217	1348	1396	1455	1486	1567	8.5	10.8	3.6	4.2	2.1	5.5
32. Military	260	271	279	286	295	292	304	4.2	3.0	2.7	3.0	-1.1	4.3
33. State and Local	2912	3257	3574	3924	4199	4480	4820	11.9	9.7	9.8	7.0	6.7	7.6
34. % of GA Nonfarm	51.6	52.3	52.6	52.5	52.6	52.7	52.6						
35. Population	2569	2656	2737	2802	2864	2921	2975	3.4	3.0	2.4	2.2	2.0	1.8

Source : Bureau of Economic Analysis
1989(F), 1990(F), 1991(F) and 1992(F) are forecasted values.

TABLE 5

METRO ATLANTA HOUSING PERMITS
FOR 1988 THROUGH 1989 WITH FORECASTS THROUGH 1992

Georgia State University
College of Business Administration
Economic Forecasting Center
November 1990

COUNTY	IV89		I90		II90		III90		1988		1989		1990		1991(F)		1992(F)	
	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI
BARROW	44	0	55	0	87	0	48	0	253	10	222	48	232	0	210	0	200	10
BUTTS	14	0	23	0	24	4	31	0	128	6	103	0	95	4	105	10	120	10
CHEROKEE	261	3	325	9	286	0	245	1	1700	43	1136	17	1135	20	1240	20	1230	20
CLAYTON	260	296	221	288	319	154	230	5	1475	1319	1102	1199	1015	600	940	420	950	350
COBB	612	30	769	70	712	8	607	55	4231	1567	2958	1367	2600	180	2450	200	2600	350
COWETA	197	120	224	2	233	0	201	0	873	53	833	231	860	10	890	10	920	20
DEKALB	467	238	552	668	525	63	553	469	2940	4589	2280	2653	2080	1300	1990	850	2050	920
DOUGLAS	106	264	137	4	189	0	103	18	895	647	541	899	525	40	480	60	490	100
FAYETTE	187	202	244	2	241	6	167	0	1221	7	892	368	830	20	820	30	860	60
FORSYTH	159	0	176	0	216	0	156	0	826	4	748	7	700	0	680	10	700	20
FULTON	699	1714	1326	2259	663	39	696	605	3961	4978	3440	4347	3285	3500	3000	2200	2960	2400
GWINNETT	800	13	913	25	918	22	899	484	4551	1238	3851	437	3530	550	3500	600	3650	800
HENRY	223	28	324	4	305	52	263	14	1412	151	1083	210	1110	90	1100	120	1150	150
NEWTON	123	98	129	80	192	0	132	0	449	80	532	194	595	100	660	130	720	160
PAULDING	179	80	219	0	277	0	243	0	893	2	689	80	950	0	1070	10	1150	20
ROCKDALE	88	0	155	0	202	0	188	4	743	116	567	1	645	10	700	10	740	10
SPALDING	62	4	77	4	72	2	63	4	321	304	308	36	270	20	240	20	260	20
WALTON	110	8	96	2	147	0	158	24	562	74	481	34	530	35	570	45	600	45
TOTAL: SINGLE & MULT	4591	3098	5965	3417	5608	350	4983	1683	27434	15188	21766	12128	20987	6479	20645	4745	21350	5465
% CHANGE FROM PREVIOUS QUARTER/YEAR	-4.3	-32.3	-8.2	22.7	2.6	-87.7	-4.4	-50.5	-8.9	35.3	-20.7	-20.1	-3.6	-46.6	-1.6	-26.8	3.4	15.2
TOTAL PERMITS (SINGLE + MULTI)	7689		9382		5958		6666		42622		33894		27466		25390		26815	
% CHANGE IN TOTAL (SINGLE + MULTI)	-18.0		1.1		-28.3		-22.6		-21.2		-20.5		-19.0		-7.6		5.6	
ESTIMATED POTENTIAL ABSORPTION (000)									38.9		30.8		29.3		26.8		25.3	

Source : Homebuilders Association of Metro Atlanta
1990(F), 1991(F) and 1992(F) are forecasted values

Georgia State University
College of Business Administration
Economic Forecasting Center
November 1990

Table 6 Atlanta Employment in 1995

	1989	1995	% Change	Annual Rate	Previous Annual Rate
Mining	1.3	1.1	-15.4	-2.7	-2.4
Construction	68.1	81.4	19.5	3.0	2.2
Manufacturing	178.1	180.1	1.1	0.2	-0.4
Durables	88.8	86.5	-2.6	-0.4	-1.2
Lumber	3.8	3.5	-7.9	-1.4	-0.7
Furniture	3.9	3.9	0.0	0.0	-0.4
Stone, Clay, Glass	8.7	8.7	0.0	0.0	-1.5
Primary Metals	6.7	6.3	-6.0	-1.0	0.0
Fabricated Metals	9.4	10.1	7.4	1.2	1.5
Nonelectrical Machinery	10.7	11.6	8.4	1.4	0.0
Electrical Machinery	15.6	15.8	1.3	0.2	-0.3
Transportation Equipment	22.7	18.7	-17.6	-3.2	-4.2
Other Durables	7.2	7.9	9.7	1.6	0.8
Nondurables	89.3	93.6	4.8	0.8	0.3
Food	20.4	22.7	11.3	1.8	1.1
Textiles	7.8	7.1	-9.0	-1.6	-2.6
Apparel	9.7	8.7	-10.3	-1.8	-2.8
Paper	9.7	10.2	5.2	0.8	-0.2
Printing	24.0	26.0	8.3	1.3	0.7
Chemicals	9.5	10.4	9.5	1.5	1.8
Other Nondurables	8.1	8.5	4.9	0.8	2.2
Transportation, Comm. & Utilities	120.9	134.5	11.2	1.8	1.3
Trade:	411.7	482.1	17.1	2.7	2.7
Wholesale	143.9	165.9	15.3	2.4	2.3
Retail	267.9	316.2	18.0	2.8	2.9
Finance, Insurance & Real Estate	105.8	113.5	7.3	1.2	1.8
Services	356.8	448.5	25.7	3.9	4.1
Government:	210.5	241.2	14.6	2.3	3.0
Federal	43.1	44.9	4.2	0.7	1.1
State	44.0	54.6	24.1	3.7	4.7
Local	123.3	141.7	14.9	2.3	3.1
Total Wages & Salary	1453.2	1682.4	15.8	2.5	2.5
Population	2802	3182	13.5	2.14	2.35

Georgia State University
College of Business Administration
Economic Forecasting Center
November 1990

Table 7

Atlanta Personal Income in 1995

	1989	1995	% Change	Annual Rate	Previous Estimated Growth Path
Labor & Proprietors' Income:					
Wage & Salary Income	37704	58633	55.5	7.6	7.8
Other Labor Income	3605	5674	57.4	7.9	5.7
Proprietors' Income	3608	5205	44.3	6.3	5.2
Farm	139	166	19.4	3.0	1.1
Nonfarm	3469	5039	45.3	6.4	5.4
Labor & Proprietors' Income:					
Farm	150	183	22.0	3.4	1.4
Contract Construction	2696	4191	55.5	7.6	6.7
Manufacturing:	5751	7616	32.4	4.8	4.0
Durables	3058	3881	26.9	4.1	2.7
Nondurables	2693	3735	38.7	5.6	5.6
Transportation, Comm, & Utilties	4963	7808	57.3	7.8	5.3
Trade	10480	15991	48.8	6.8	7.4
Wholesale	5977	8780	46.9	6.6	8.1
Retail	4503	6811	51.3	7.1	6.6
Finance, Insurance & Real Estate	3932	5670	44.2	6.3	6.6
Services	11122	19873	78.7	10.2	10.5
Other Industries	217	293	34.9	5.1	0.9
Government:	5606	8287	47.8	6.7	8.0
Federal Civilian	1396	1885	35.0	5.1	6.4
Federal Military	286	341	19.2	3.0	1.4
State & Local	3924	6061	54.5	7.5	9.0
Plus:					
Property Income	7965	12856	61.4	8.3	9.6
Transfer Payments	4725	7662	62.2	8.4	8.3
Residence Adjustment	-1186	-1293	----	---	---
Less: Social Insurance Contributions	2731	4344	59.1	8.0	9.5
Equals: Total Personal Income	53690	84393	57.2	7.8	7.9
Real Personal Income**	42110	50264	19.4	3.0	2.7
Atlanta CPI (1982-84=100)	127.5	167.9	31.7	4.7	5.0

** Assuming CPI rises 4.5% per year, adjusted to reflect difference from national purchasing power, and to eliminate CPI bias.

The Georgia State University Economic Forecasting Center collects data, engages in analysis of macro-economic systems and develops procedures that aid in the creation of econometric descriptions of the national, regional and local economies. Our research is sponsored by the Georgia State University College of Business Administration and receives financial support from the following organizations:

ATLANTA CAPITAL MANAGEMENT • Since 1990
BANKERS FIRST FEDERAL SAVINGS • Since 1983
BELLSOUTH! CORPORATION • Since 1983
THE CITIZENS AND SOUTHERN NATIONAL BANK • Since 1973
THE COCA-COLA COMPANY • Since 1973
FEDERAL HOME LOAN BANK OF ATLANTA • Since 1989
FIRST ATLANTA CORPORATION • Since 1973
GEORGIA-PACIFIC CORPORATION • Since 1983
THE ORIGINAL HONEY BAKED HAM COMPANY OF GEORGIA, INC. • Since 1988
LOWE'S COMPANIES, INC. • Since 1983 (NORTH WILKESBORO, NORTH CAROLINA)
MORGAN, KEEGAN AND COMPANY, INC. • Since 1975 (MEMPHIS, TENNESSEE)
OGLETHORPE POWER CORPORATION • Since 1983
PHYSICIANS NATIONAL MORTGAGE CORPORATION • Since 1990
THE ROBINSON-HUMPHREY COMPANY, INC. • Since 1976
ROCKWELL INTERNATIONAL • Since 1989
SOUTHERN BELL TELEPHONE & TELEGRAPH COMPANY • Since 1976
TRUST COMPANY OF GEORGIA • Since 1973
UNITED FAMILY LIFE INSURANCE COMPANY • Since 1987
VULCAN MATERIALS COMPANY • Since 1985 (BIRMINGHAM, ALABAMA)

Associate Sponsors:

E.C.C. AMERICA, INC. • Since 1979
ERNST & YOUNG • Since 1990
FULTON FEDERAL SAVINGS AND LOAN ASSOCIATION • Since 1978
GEORGIA POWER COMPANY • Since 1990
JGA CORPORATION • Since 1989
OBERDORFER INSURANCE ASSOCIATES • Since 1986
PRYOR, MCCLENDON, COUNTS & COMPANY • Since 1988
ROCK-TENN COMPANY • Since 1989
SHEARSON LEHMAN HUTTON • Since 1988
STATE MUTUAL INSURANCE COMPANY • Since 1990
TRIMBLE HOUSE CORPORATION • Since 1983

Georgia State University, a unit of the University System of Georgia, is an equal opportunity educational institution and is an equal opportunity /affirmative action employer.

FORECAST OF GEORGIA & ATLANTA

1991-1993

U1880-2

GEORGIA STATE UNIVERSITY
COLLEGE OF BUSINESS ADMINISTRATION

February 1991

Dr. Donald Ratajczak, Director

ECONOMIC FORECASTING CENTER

RECESSION IN GEORGIA IS GREATER THAN IN NATION

Dr. Donald Ratajczak
Director
Economic Forecasting Center

SUMMARY

Georgia's declining employment in 1991 will be the sharpest since 1974. Population growth rates in the next two years will be as slow as the period following the 1974 recession. Longer term growth in Georgia may be slowing in the absence of new industry attractions, but the recovery from the 1990 recession should be apparent before the end of 1991.

Georgia's economy appears to have expanded 1.3% in 1990 according to our indicators, or slightly better than the 0.8% recorded in the nation. However, activity clearly slowed during the second half of the year, with Georgia's recession beginning late in the spring. Activity fell a sharp 3.6% during the fall and will probably decline more than 0.5% for 1991 despite a slow recovery during the latter half of the year. A gain of 2.5% currently is projected for 1992.

Georgia employment is expected to fall 8,700 in 1991 with unemployment reaching 7% before the end of the year. Unemployment will remain near 7% through most of 1992, leading to the end of population migration into the state. Employment gains of 44,000 are expected in 1992. Reduced population growth will further restrain construction activity, with employment falling 7% in that sector in 1991. Military incomes and defense related government workers are declining from deployment to the Persian gulf, although some gains should develop next year.

The outlook is not totally bleak. Some textile firms are receiving additional military orders for uniforms; communications continue to expand in the Atlanta area; and the Olympics designation is attracting notice from international investors. However, state revenues are surprisingly sluggish and may fall below a 3% gain for this fiscal year. (The current budget needs 3.5% revenue gains, but the new governor already has set aside $26 million in case that projection will not be met). Also, our ratio of leading to coincident indicators may be stabilizing, suggesting that the downturn may be losing some of its intensity. If the national economy rebounds by summer, the Georgia economy should be positioned to rebound as well.

Falling interest rates should reverse the plunge in construction, although the slowing of population growth will limit the speed of recovery. The current slump in transportation services caused by the failure of Eastern airlines also should be nearing resolution before the end of this year. Next year's budgets at the state and local levels must be lean, but no job losses or construction cutbacks are necessary to balance spending with revenues. (However, the Governor's intention to rebuild the stabilization funds should be put on hold until the economy is more robust. At the same time, capital projects should be financed through bonds rather than wait until the private construction economy recovers.)

RECENT CONDITIONS

After growing 0.6 percentage points more than the United States during the first quarter, Georgia's nonfarm personal income grew at national averages in the spring, and then fell behind the nation during the summer. Although our coincident indicators are consistent with a 1.3% gain in gross state product, activity in the state clearly has been declining since late spring. **By the end of 1990, Georgia's economy had declined by 0.7% from the previous fall, while U.S. activity still was marginally positive.** In the fall, the Georgia economy fell at an annual rate of 3.7% according to GSU estimates.

Personal income and corporate income tax collections were up slightly after adjustment for inflation, but state revenues grew more slowly than during the summer. Total hours worked fell especially sharply, although not as significantly as activity. Therefore, productivity probably fell in Georgia, leading to further cost pressures and the likelihood of further layoffs before the decline ends.

Georgia's leading indicators, which began falling in the first quarter of 1990, have fallen about 1.6% for the year. However, the magnitude of the decline may be lessening. The manufacturing workweek is falling sharply, suggesting further layoffs ahead. Unemployment claims, commercial bank deposits, and building contracts and permits also are continuing to decline. However, sales activity finally showed some strength in the fall. The ratio of leading to coincident indicators no longer is falling, suggesting that the intensity of the decline may be easing slightly. Nevertheless, the Georgia economy clearly still is in decline.

At the end of the third quarter, Georgia's personal income was 6.4% above previous year levels. While this was comparable to the U.S., our indicators suggest that Georgia fell significantly behind the nation during the fall. Moreover, the 8000 lost jobs associated with Eastern airlines, its regional partner, and its caterer almost certainly will prevent Georgia from reaching national levels during the first quarter. Therefore, gross state product may fall more than 0.5% after inflation in 1991. The only Georgia sectors where earnings grew stronger than nationwide during the third quarter were durable manufacturing and the military. The onset of war and the reduction in fort populations will lower military earnings until the crisis is resolved. Earnings in construction and nondurable manufacturing were especially weak in Georgia, while wholesale trade and services also generated considerably less earnings than nationwide.

According to our seasonally adjusted employment estimates for Georgia, **more than 15,000 jobs were lost during the fourth quarter.** Clearly, Eastern's bankruptcy will contribute to another sharp employment decline during the winter. The slump in construction has intensified. Tight credit conditions and the weakened markets caused by slower population gains contributed to this weakness. Our leading indicators show little sign that the slump is nearing an end. Even before Eastern's demise, transportation services were showing job losses. Wholesale and retail trade weakened near Christmas while business service employment also softened. Even government showed some softness as the Census continued to wind down and as weakening population gains were mirrored in slower education employment at the local level. However, the finance sector may be bottoming out while the ATT additions are offsetting the Contel subtractions in the communications sector.

Construction related manufacturing fell hard, especially furniture. All the metals, machinery, and transportation equipment also weakened. Nondurables also softened, including the rubber and plastics as well as textiles and apparel. Only the paper and food processing industries showed any strength during the fall.

Sluggish consumer spending has been reflected in slower employment gains in the trade sector. Although real disposable income probably was growing slightly more than 1.5% over the previous year during the summer, Georgia consumers decided to increase savings. Taxable sales in the summer were up only 0.1% from the previous year, which equates to more than a 3% decline after adjustment for price changes. Although service expenditures probably increased more than 7%, the savings rate probably rose more than 1% in Georgia, even as savings were falling nationwide. Of course, if this sluggish sales growth continues, further declines in retailing will be required. However, Georgia households have accumulated sufficient savings to begin spending if their confidence improves.

Every metropolitan area in Georgia except Savannah experienced a slowing in taxable sales from the previous year during the summer. Savannah apparently benefitted from some improved tourist activity to experience a 4.4% gain in taxable sales. Sales in Augusta slowed to a 3.3% gain from stronger relative increases earlier in the year. Other modest gains from the previous year occurred in Athens (1.9%), Macon (0.5%), and Atlanta (0.2%). Sales were below previous year levels in Albany (-1.3%) and Columbus (2.5%).

Although the insured unemployment rates in Georgia and Atlanta remain well below the 3% registered nationwide, they have increased sharply in recent months. Georgia's rate reached 2% while the Atlanta rate was above 1.6%. These were before the latest airline layoffs. In the past year, **unemployment rates rose 1.3 percentage points to 6.3% in Georgia while they increased only 0.6 percentage points to 5.9% in the United States.** Although the labor force has increased 0.6% during the past year in the U.S., the latest household survey shows only a 0.1% gain for Georgia. According to these surveys, Georgia employment has fallen 37,400. This compares to a loss of 400 jobs during the past year in the payroll estimates of employment. These discrepancies suggest that downward revisions in employment are possible for 1990 when the benchmark revisions occur.

ALBANY-The only metropolitan area registering gains in employment during the past year, according to the household survey, is Albany; where a 700 gain in employment was not sufficient to prevent unemployment from increasing to 6.9% from 6.2% in the previous year. Payroll employment in Albany increased 1,200, with gains in food processing, construction, and state and local government offsetting minor losses in wholesale trade and textiles.

AUGUSTA-In Augusta, employment fell 2400 in the household survey, as unemployment rose from 4.1% to 5.3%. The labor force fell modestly. Payroll estimates show a more modest 500 job loss. Weakness is in construction, durable manufacturing, finance, wholesale trade, and federal government. Most of the improving areas are nondurables and retail trade.

ATHENS-The household estimates show a 400 job loss in Athens. Coupled with modest growth in the labor force, the unemployment rate is up to 5.3% from 4% a year ago. Payroll estimates show sharp job losses in manufacturing, especially textiles, offset by strong gains in wholesale trade, services and state and local government.

ATLANTA-Atlanta reportedly suffered a 14,400 job loss according to the household estimates, while the labor force grew only 0.3%. Unemployment rose from 4.5% to 5.8% during the year. By contrast, the payroll estimates still are showing 5,000 job gains, although negative changes in employment now are likely with the demise of Eastern.

COLUMBUS-Columbus was able to absorb its 2400 drop in employment through a reduced labor force. Nevertheless, the unemployment rate rose by a full percentage point to 6.4% during the past year. Payroll estimates show substantial weakness, with construction, textiles, retail trade, and finance all showing large declines. However, food processing increased sharply while state and local government grew modestly.

MACON-Macon's unemployment rate was 5.2%, the lowest of all metropolitan areas, but this was up from 4.3% a year ago as household estimates of employment fell 1000. Payroll estimates were still up 500, as state and local government, finance, and retail trade offset declining construction, food processing, and federal government employment.

SAVANNAH-Savannah continued to attract people, with labor force gains of nearly 1% despite unemployment rates rising from 4.4% to 5.7% during the year. Payroll estimates still show 900 job gains while the household estimates indicate 500 jobs lost. Construction, transportation services, and wholesale trade are off, while finance, services and state and local governments are growing.

In virtually every circumstance, the **household survey shows greater weakness than payroll estimates.** This suggests a downward adjustment in payrolls, but it also indicates that the household estimates may be overstating weakness in the state.

Even mortgage rates did not avoid this dismal performance. Nationwide, rates are down .16 percentage points over the past year. The average price of a financed home fell by $1500 during the year. In Atlanta, interest rates were slightly higher than in the nation and had increased by .36 percent during the year. The average price of a financed home had fallen a dramatic $33,900. Thus, the slump in real estate values has come to Georgia.

When the fiscal year began, revenue estimates were 5.1%. They have since been lowered to 3.5% despite a ruling that the exemption of certain food items from sales taxes was arbitrary and therefore disallowed. Economic conditions are deteriorating more rapidly in Georgia than nationwide as construction is in a free-fall and the deployment of troops actually reduced purchasing power around the state. Because the Atlanta engine of growth has stopped, so has development in the remainder of the state. Even before the latest casualty in Atlanta, revenue had slowed to only a 2.9% gain from the previous year in the latest quarter. **Revenue growth during the next six months may be no stronger than 2%.** If so, revenue gains of 2.9% still will be less than needed in the latest adjusted budget. Certainly, no exemption of food from the sales tax is feasible until these revenues improve. Furthermore, even with gains next year, the governor's 6.1% revenue estimate may be a percentage point too high. (Because he is trying to replenish the stabilization funds, the 3% gain in actual expenditures should not be in jeopardy. Why build the stabilization fund before the economy has stabilized?) In December, revenue growth was only 3%. In past quarters, revenues expanded 4.6%, 5.6%, 10.8%, 16.1%, and 15.1%, although the double digit gains were aided by a sales tax increase. **After revenue increases of less than 3% this year, gains of 5% and 7.5% are expected in the subsequent two years.**

Sales taxes reflect the consumer malaise. After increasing 6.3% in the summer and 14.7%, 36.1%, 37.7% and 30.9% with the aid of tax increases, sales tax receipts grew only 2.2% from previous year levels in the fall. Receipts actually fell by 1.4% in a dismal December. All state and local governments experienced receipts of 6.7% following gains of 6.3%, 4.1%, 6.9%, 6.8% and 7.0% in previous quarters. Clearly, sales activity was weaker in Georgia than in the nation.

Personal income taxes showed little evidence of weakening employment by increasing 6.3% in the fall. This is better than 4.4%, 1.7%, and 3.3% in previous quarters. The gain in December was a healthy 9.3%. If the employment estimates are correct, substantial refunds will sharply reduce this component during the spring. All state and local governments showed gains of 3.5% in the fall. In earlier periods, they gained 4.6% and 2.1%.

The recession clearly is evident in the 15.7% plunge in corporate tax accruals. In December, the plunge had temporarily lessened to only a 4.6% decline. In previous quarters collections fell 2.6%, 4.9%, and 25% because of a shift in collection timings. Except for the recession, collections should grow in the next few months in comparison to those weak gains of the previous year. All state and local governments experienced an estimated gain of 6.3% in their corporate collections. A gain of nearly 16% also was recorded in the summer as a result of large energy earnings. Prior to that, accruals fell 7.4% and 13.5%.

Georgia's weakness is most evident in its sales tax collections and is least noticeable so far in its personal income gains. However, refunds almost certainly will be stronger than normal because of the weeks of interrupted work that many Georgians felt during 1990. Furthermore, the additional layoffs early in 1991 will further strain state revenues. Thus, the recession may not yet be as severe in state revenues as it is in employment, but that will change.

GEORGIA OUTLOOK

If the household estimates of employment in December from a year ago are accurate, most of the national recession is in Georgia. Of the 55,000 decline in national employment, 37,000 is in Georgia and 14,000 is in Atlanta. Payroll estimates are more appropriate, showing the nation up 600,000 jobs, Atlanta up 5,000 and Georgia down 400 from the previous December. In either measure, however, Georgia is suffering a more severe recession than the nation.

For the third consecutive year, manufacturing and construction are declining in the state. Although the slide in transportation equipment is slowing and could be reversed in 1992, weakness is increasing in construction materials, metals, and machinery. These are casualties of the national recession and should improve when that recession runs its course. Some military contracts have slowed the decline in apparel but have not reversed it.

Textiles are now weakening in carpets along with all the other sectors. Printing, chemicals and rubber production all have weakened. Again, the national recession could cure the latter, although decay in the textile and apparel industries appear to be endemic. Fortunately, food processing and paper production are showing gains and are expected to continue expanding through 1992, when capacity problems may end the expansion of paper products.

Three years of falling goods production has undermined the development structure of the state. As a result, **population gains have slowed sharply.** Although the Census has not yet adjusted backward its estimates for 1989, our guesstimate along with the known estimates for 1990 suggest that population growth has slowed dramatically. As unemployment rises to 6.7% in 1991 and 6.9% in 1992, no net immigration is expected in the state.

This clearly has implications for construction, which previously was adjusting to an overbuilt condition but must now also respond to reduced long-term growth potential. The result is a **dramatic plunge in construction activity during 1991** that will still be easing slightly in 1992. By that time, the 4.4% concentration in construction will be sufficient to support underlying employment growth of 1.8%. Whether further declines in construction are warranted will depend upon whether employment growth, which is projected to fall by 0.3% in 1991 and rise only 1.5% in 1992, will continue to accelerate into 1993.

The loss of the Eastern hub at Hartsfield already has idled an additional 7000 in transportation services plus others in auxiliary services. Although some expansion by other airlines is expected to eventually displace the idled Eastern hub, the restoration of a second hub in Atlanta remains problematical. At a minimum, employment in transportation services will fall by several thousand in 1991 before rebuilding in 1992. Fortunately, employment gains continue in communications despite the problems of Contel following the GTE merger.

The trade sector in 1990 showed 2.3% employment growth while sales after inflation were falling more than 3%. Obviously, too many stores exist for current business. However, increased savings caused some of the sluggish sales and these should be restored later this year as uncertainties ease nationwide. While no growth is projected for trade employment this year, gains should reappear in 1992.

Offsetting this gloom is the apparent bottoming of the financial sector. The blood letting at the banks appears to be diminishing while brokerage services have stabilized. Insurance continues to expand, although real estate should remain rocky into next year. Business services are slowing their rate of decline but hotel and health services are beginning to slow their rates of growth. As a result, service employment will slow, but will not decline.

Of course, a year following the census and the depleting of fort populations in Georgia to confront the Gulf crisis have diminished federal government employment. Reduced population growth will prevent a rapid rebound in the growth of federal government workers. Budget constraints will sharply curtail the expansion of state and local employment, although some local governments will buy more security and other services with the aid of higher taxes (a displacement to retail and service activity). **Budget constraints should continue to restrain government payrolls into 1992.**

Certainly, the outlook for 1991 is not good. 8,700 jobs will be lost in Georgia. Many of them are from industries that exported goods and services to other states and internationally. Thus, the underlying industrial base of Georgia is eroding. This will substantially slow the upturn from this recession. Only 44,000 new jobs will be created in 1992. Georgia has not seen such soft activity since the 1974 recession.

Personal income is expected to grow only 5% in 1991, as the state loses ground to the nation. However, prices will be up less, so some real purchasing power will be generated. Nevertheless, gross state product will fall by more than 0.5% for the year. A rebound to 6.8% personal income gains and growth in state product of 2.5% after inflation are expected for 1992.

Clearly, the state needs to begin rebuilding its economic base. Retail, most finance, many services, and even most construction merely responds to local needs supported by those activities which are desired from people outside the state. The loss of Lockheed jobs, GM jobs, an Eastern hub, and the continuing erosion of the textile and apparel base have not been replaced by alternative activities. Only an expanding convention and cable programming appear to have partially replaced these lost activities. At this point, Georgia's ability to regain previous rates of growth prior to this recession is limited.

The state needs to develop global activities. In 1987, only 8.7% of manufacturing shipments from Georgia companies went abroad. We rank 44th in all states in international transactions despite the presence of two ports and a major airline hub. Also, the nascent software industry and the important communications concentration in Atlanta need to be expanded. Georgia's engine of growth has stopped, and it will not start again without greater development efforts.

****

WILL THE BAD NEWS NEVER END FOR ATLANTA?

RECENT CONDITIONS AND OUTLOOK

Obviously, our headline last quarter was premature. **All the bad news is not out.** Consolidation continues in the international financial community, the newspaper eliminated more than 230 jobs, state budgets are so strained that the explosive growth in state education must slow, and Eastern airline's demise (though expected) may not be offset by new hub activity at the airport anytime soon. The census figures suggest a dramatic slowing in population growth (although people still are coming to Atlanta) which means that the dramatic slowing in home building merely has prevented inventories from rising. Further production reductions are necessary to eliminate the overhang in the real estate market.

There is little doubt that Atlanta has fallen into recession. With the Eastern layoffs, the 5000 gain in payroll employment from previous year levels will be negative by the February report. About the only short-term bright spot is the bottoming of employment at Lockheed with prospects that gains could develop in the next year. (Actually, Lockheed is more than a thousand jobs ahead of its low point of last year). Even the lawyers and accountants are cutting back, except those in bankruptcy and restructuring activity, which are booming.

Employment in manufactured building materials is falling sharply along with construction prospects. Primary metals may be stabilizing and transportation equipment may have reached its cyclical low in December, but other metals and machinery are falling sharply. These industries should stabilize late this year as the national economy stabilizes.

Nondurable employment remained surprisingly strong until the fall. Food processing, printing and chemical production were offsetting declines in textiles, apparel, and paper. Paper is stabilizing and food processing remains strong, but all other nondurable activities now are falling. The weakness should end, however, before 1991 is over.

Construction is suffering another plunge in activity. Retail space remains excessive, as more retailing concepts, especially in sporting goods, are leaving the area than are arriving. Sales volumes should remain modest in 1991 but could rebound more than currently projected for 1992. Office space is excessive, with no new clients from locally generated activity remaining unserved by new space. Towers in midtown and downtown will need clients from outside the area to justify their existing space. New space should remain sparse following current completions until the mid 90s. Industrial space also is excessive, with vacancies in Atlanta exceeding the national averages by more than 2 percentage points.

Vacancy rates have stabilized in Atlanta according to Jamison Research. Total office vacancies rose slightly to 19.3% from 19.1% during the summer. Downtown vacancies increased only marginally from 17.0% to 17.1%. However, vacancies will rise further as the Portman tower is completed downtown. Industrial vacancy rates remain high at 13%, although no change has occurred in that sector recently. Thus current construction is consistent with current absorption, but slower construction will be necessary to lower vacancy rates to more historical levels. Despite these high vacancies, they remain moderate in comparison to other cities, except in the industrial sector.

The slowing in population gains has substantially reduced estimates of potential absorption. The **lack of jobs will slow population gains** from 1.7% in 1990 (according to our estimates from census totals) to 1.2% by 1992. Although new households will still be entering Atlanta, the combined impact of housing retirements and new households will absorb only 19,200 housing units in 1992. In 1990, 26,582 units were permitted. Lower interest rates will encourage some housing absorption as some households unbundle, but further reductions in housing construction are required.

In short, little good news in construction exists until 1992. (Olympics activity will begin in 1993 and reach a peak during the 1994-1995 period). This means that the construction slump in the fall is not a statistical fluke. Further declines in construction employment are likely early in 1991, before the market stabilizes early in 1992. By that time, construction's concentration will be only 4% of total employment. This is consistent with an employment growth of only 1.6%. While employment is projected to decline in 1991, gains in excess of that are likely in 1992. Therefore, construction gains are likely as the area begins preparation for the Olympics in 1993.

Atlanta's latest hurdle is the empty space at Hartsfield airport. Until those gates become active again, employment in transportation services will fall by nearly 7000 jobs. Our forecast assumes that the gates will gradually be replaced, but not all of them will be operational, even in 1992. Thus, transportation services are not restored to their 1990 levels by the end of the forecast period.

The communications sector also is experiencing substantial turmoil. Most of the ATT workers are here while some of the Contel workers who will be displaced have not yet been terminated. The newspaper reductions may be offset by CNN increases because of the additional efforts during the Gulf crisis and the probable permanent increase in subscribers because of that service.

Taxable sales in the metro area are just ahead of the state at 0.2%. This means that the volume of sales has been falling 3%. Such sales weakness is not fully reflected in trade employment in Atlanta, but a projected decline in trade employment during 1991 should restore balance to that sector. Modest gains are projected for 1992, although the income gains could be enough to generate a stronger retail rebound than currently projected. Personal income gains in 1991 will be less than 5% according to our projections. In 1992, however, more robust 7.2% gains are expected.

In November, retail trade in the South Atlantic was comparable to the nation. In Atlanta, sales were reported down by 2.4%. However, department store sales grew 4.7%. This compared favorably with 4.5% gains for the U.S. All nondurable sales were down 2.1%. This is a weakening of sales from earlier reports. Moreover, Atlantans must be adding to savings if these sales estimates are correct, because personal income in 1990 probably increased 6.5%. Even with strong gains in service expenditures, this would mean more than a two percentage point discrepancy between income and spending. Thus, Atlanta consumers have the purchasing power in their pockets even if they have no desire to spend.

Financial services may have stabilized, but no growth is expected in 1991. Modest gains are likely in 1992. Insurance continues to be the bright spot in the Atlanta economy with more than 3% gains continuing. However, real estate should suffer from fewer new homes and a reluctance to sell existing homes at reduced prices. Therefore, some contraction is expected in the real estate community.

Reduced convention traffic will impact the lodging industry as people reduce their traveling because of the Gulf crisis. Business services is continuing to slump, but some support should develop as the national economy ends its recession. Health services continue to grow rapidly and show little signs of slowing. However, reduced population gains will impact the strength in this industry before the end of 1992.

Finally, payrolls in the federal government will shrink with the completion of the Census and the reduction in military personnel in the state during the Gulf crisis. Slower population gains will limit the extent to which government payrolls will grow in 1992. At the state level, tight budgets certainly will restrain employment growth. University employment, currently triggered by strong enrollments (unfortunately, a normal result of reduced employment opportunities in the private economy), will slow. However, further gains in local security personnel and other service should continue modest growth in government payrolls.

Because of the weaknesses cited above, Atlanta will loss 5800 jobs in 1991. This will be the most difficult year for this area since 1974. Even in 1992 activity is not expected to rebound sharply. Gains of only 28,000 are expected that year. Unemployment rates, which reached 5.8% in December, will average 6.4% in 1991 and 6.5% in 1992. Tight labor markets are not likely in Atlanta until the Olympics construction is well underway in 1994.

Despite a 22% decline in housing permits during 1990 as a result of the collapse in apartment construction, housing activity exceeded potential. Therefore, the inventory of unsold homes continued to grow and housing prices began to recede. Improving mortgage conditions and further restraint upon apartment construction should cause some reduction in the housing inventory. Apartment activity slumped by 80% from previous year levels in the fourth quarter. Weakness has been especially sharp in Cobb, although DeKalb and Fulton also experienced sharp slowing during the fall. Apartment activity in Clayton has virtually ceased. Only token activity is projected there in the next two years. Gwinnett showed some activity in the summer while Henry had a significant project in the fall. No county is expected to show apartment gains in 1991. Some gains are expected in Cobb, Fulton, Gwinnett and Henry in 1992, but apartment activity should rebound only to 3600 that year.

The recovery in single family activity that appeared last spring has vanished. Permits were down 14% during the fall and are projected to decline 11.5% in 1991 even with falling mortgage rates. Activity remained stead in DeKalb and only grudgingly gave ground in Gwinnett. Both markets should remain firm in 1991. However, building is slumping in Fulton and continues to fall in Cobb. Only Paulding and Butts counties are expected to show housing gains in 1991 from 1990. Because of the dip in population, further modest declines in housing activity are likely in 1992. As a result of the housing overhang, home prices are falling 3-5% according to most assessors. This overhang will not get worse, but neither will it improve until late in 1992.

Taxable sales by county are almost as disheartening as the housing permits. Seven counties show declines from previous year levels as compared to none in the spring. Paulding is showing the greatest weakness (-7.7%), but sales also slumped in Clayton (-3.5%), Barrow (-3.3%), Spalding (-1.0%), Gwinnett (-1.0%),DeKalb (-0.8%), and Fulton (-0.3%). Sales spurts in Cobb and Cherokee during the spring subsided to only 3.1%, and 2.2% gains respectively. Activity improved in Forsyth (7.1%) and Butts (1.4%) while Douglas maintained its double-digit gains at 12.5%. Activity certainly was lackluster even before the state collections plunged at Christmas.

SUMMARY OF ATLANTA OUTLOOK

Weakness in construction, manufacturing, transportation services, and finance are combining to send Atlanta into its first real recession since 1974. More than 5800 jobs will be lost in 1991 before recovery adds 28,000 jobs in 1992. Unemployment will exceed 6.5% in 1992, while the weakening of labor market conditions will sharply slow population gains. The census already revealed some slowing in the past two years, but gains of only 1.2%, down from 4% early in the last decade are expected by 1992.

Atlanta is in search of a new growth engine. While the Olympics hold promise for construction, lodging, and convention activity, Olympics reality will not be significant until 1993 and beyond. The loss of a second airline hub could impact the convenience of the convention business in Atlanta, especially if air fares continue to rise relative to other major hubs, as they did in the 1980s.

Therefore, the future of Atlanta requires further building upon its communications core, better exploitation of its universities for economic development, and the stabilization of the downtown area to preserve the City of Atlanta as a healthy economic core for the area. If jobs return, so will people. In general, Atlanta remains a desirable city in which to transact business and to raise families. However, the first real recession since 1974 will test the mettle of the city. **Clearly, recent conditions have been disappointing and the loss of manufacturing and population growth could exert substantial restraint upon future activity.**

Being designated as an Olympics city was expected to enhance Atlanta's stature. Now it may restore it.

Table 1

Georgia Wage & Salary Employment (Seasonally Adjusted) for 1988-90 with Forecasts through 1992

Georgia State University
College of Business Administration
Economic Forecasting Center
February 1991

Description	Quarterly Seasonalized Data I 90	II90	III 90	IV90	Dec(P)	Annual Percentage Change 89/8	90/89	91/90	92/91	Annual Average 1988	1989	1990	1991(F)	1992(F)
1. MANUFACTURING	566.3	563.6	558.0	550.5	547.8	-1.1	-1.5	-2.6	0.4	574.3	568.1	559.6	545.3	547.7
2. DURABLE GOODS	216.7	217.2	214.4	209.1	207.2	-2.5	-2.3	-4.4	1.1	225.1	219.4	214.4	205.0	207.3
3. LUMBER AND WOOD	31.4	31.3	31.0	30.0	29.5	-5.5	-5.4	-5.9	-0.3	34.6	32.7	30.9	29.1	29.0
4. FURNITURE AND FIXTURES	10.7	10.7	10.6	9.9	9.7	-1.7	-5.2	-9.3	-2.1	11.2	11.0	10.5	9.5	9.3
5. STONE, CLAY, AND GLASS	18.7	18.1	17.9	17.7	17.7	-5.9	-6.5	-3.4	0.6	20.6	19.4	18.1	17.5	17.6
6. PRIMARY METAL INDUSTRY	15.4	15.2	14.9	14.3	14.3	-2.0	-1.6	-5.1	1.4	15.5	15.2	15.0	14.2	14.4
7. FABRICATED METAL	22.3	22.4	21.9	21.5	21.3	2.8	2.1	-4.2	0.9	21.0	21.6	22.0	21.1	21.3
8. MACHINERY EXC ELECTRIC	29.7	29.3	28.4	28.2	28.3	7.0	0.7	-3.5	0.4	26.8	28.7	28.9	27.9	28.0
9. ELECTRIC & ELECTRONIC	33.0	33.6	33.0	32.5	32.4	2.6	3.0	-2.8	1.2	31.3	32.1	33.0	32.1	32.5
10. TRANSPORTATION EQUIP	40.1	41.0	41.2	39.4	38.6	-12.6	-6.7	-5.3	3.9	49.5	43.3	40.4	38.3	39.8
11. OTHER DURABLE GOODS	15.4	15.5	15.5	15.6	15.4	6.7	0.3	-1.4	0.7	14.5	15.5	15.5	15.3	15.4
12. NONDURABLE GOODS	349.6	346.4	343.6	341.4	340.5	-0.2	-1.0	-1.4	0.0	349.3	348.7	345.2	340.3	340.4
13. FOOD AND KINDRED	61.7	61.9	61.3	62.0	61.7	2.3	1.1	0.6	1.0	59.7	61.1	61.7	62.1	62.7
14. TEXTILE MILL PRODUCTS	110.7	109.3	108.0	106.7	106.3	1.4	-2.2	-2.5	-0.3	109.7	111.2	108.7	106.0	105.7
15. APPAREL & TEXTILE	62.9	61.7	61.0	60.6	60.7	-5.0	-3.5	-1.2	-1.2	67.1	63.8	61.6	60.8	60.1
16. PAPER & ALLIED PRODUCT	33.1	32.6	32.7	33.0	33.0	4.2	0.0	0.7	0.6	31.5	32.9	32.9	33.1	33.3
17. PRINTING & PUBLISHING	38.7	38.6	38.4	37.9	37.7	-2.4	1.7	-2.6	-0.3	38.7	37.8	38.4	37.4	37.3
18. CHEMICALS & ALLIED	19.7	19.7	19.6	19.5	19.5	0.7	1.1	-1.1	0.0	19.3	19.4	19.6	19.4	19.4
19. OTHER NONDURABLE GOODS	22.8	22.5	22.5	21.7	21.6	-2.8	-1.2	-3.8	1.9	23.3	22.6	22.4	21.5	21.9
20. TOTAL NONMANUFACTURING	2454.9	2447.5	2446.7	2438.9	2436.3	3.2	2.9	0.2	1.7	2303.7	2377.3	2447.0	2452.6	2494.2
21. MINING	8.8	8.7	8.7	8.5	8.5	-1.2	-0.9	-2.0	-1.2	8.9	8.8	8.7	8.5	8.4
22. CONSTRUCTION	150.1	146.4	144.3	138.4	136.7	-2.2	-1.2	-7.0	-0.7	149.9	146.5	144.8	134.6	133.7
23. TRANSP, COMM & PUB UT	188.2	190.1	189.8	189.7	189.0	0.9	3.0	-1.9	3.1	182.3	183.9	189.4	185.9	191.6
24. TRANSPORTATION	116.3	117.0	116.4	115.9	115.6	0.9	3.8	-4.1	4.3	111.1	112.1	116.4	111.6	116.4
25. COMMUNICATION	44.4	45.5	46.2	46.2	46.0	1.1	2.1	2.2	1.5	44.2	44.6	45.6	46.6	47.3
26. UTILTIES	27.5	27.5	27.3	27.5	27.5	0.4	1.1	0.9	0.7	27.0	27.2	27.5	27.7	27.9
27. WHOLESALE & RETAIL TRADE	773.0	770.1	769.6	766.5	764.1	2.5	2.3	0.2	1.2	734.3	752.3	769.8	771.1	780.3
28. WHOLESALE TRADE	229.9	230.5	229.2	228.7	228.7	3.6	2.8	-0.7	0.7	215.6	223.3	229.6	227.9	229.4
29. DURABLE GOODS	150.7	150.2	149.6	150.4	150.5	3.7	2.7	-0.0	0.5	141.1	146.3	150.2	150.2	150.9
30. NONDURABLE GOODS	79.2	80.2	79.6	78.4	78.2	3.4	3.1	-2.1	1.0	74.4	77.0	79.4	77.7	78.5
31. RETAIL TRADE	543.1	539.7	540.4	537.8	535.4	2.0	2.1	0.6	1.4	518.8	529.1	540.2	543.2	550.9
32. FINANCE, INSUR & RL EST	164.6	163.1	163.9	164.2	164.7	1.4	0.3	0.9	1.3	161.2	163.5	163.9	165.4	167.6
33. FINANCE	75.6	75.1	75.2	75.0	75.1	0.8	-2.2	0.1	0.8	76.2	76.9	75.2	75.3	75.9
34. INSURANCE	56.0	55.6	56.4	57.1	57.4	2.6	3.8	2.9	2.8	52.9	54.2	56.3	57.9	59.5
35. REAL ESTATE	33.0	32.4	32.3	32.1	32.2	1.0	0.2	-0.7	0.0	32.0	32.4	32.4	32.2	32.2
36. SERVICES	640.3	634.4	633.5	638.8	639.9	6.4	4.5	1.9	2.6	573.1	609.5	636.8	649.1	666.3
37. HOTELS & OTHER LODGING	45.4	45.1	45.1	44.6	44.6	6.0	6.0	1.4	1.8	40.1	42.5	45.1	45.7	46.5
38. BUSINESS SERVICES	148.7	146.5	144.0	143.6	143.7	7.4	4.8	-1.8	1.5	129.4	139.0	145.7	143.1	145.2
39. HEALTH SERVICES	153.2	154.5	155.6	157.4	158.6	5.8	6.1	4.6	4.4	138.3	146.2	155.2	162.3	169.4
40. GOVERNMENT	529.9	534.7	537.0	532.8	533.4	3.8	4.1	0.8	1.5	494.2	512.8	533.6	538.0	546.3
41. FEDERAL GOVERNMENT	102.7	106.7	103.3	101.4	100.5	1.3	2.6	-3.3	1.9	99.5	100.9	103.5	100.1	102.0
42. DEFENSE	36.8	36.4	35.9	35.2	35.1	2.6	-2.4	-4.1	3.8	36.0	37.0	36.1	34.6	35.9
43. OTHER FEDERAL	65.9	70.4	67.4	66.1	65.4	0.6	5.6	-2.9	0.9	63.5	63.9	67.4	65.5	66.1
44. STATE & LOCAL GOVERNMENT	427.2	427.9	433.7	431.4	432.9	4.4	4.4	1.8	1.5	394.6	411.9	430.0	437.9	444.3
45. STATE GOVERNMENT	129.1	130.1	131.6	132.0	132.2	6.4	5.2	2.1	1.0	116.8	124.3	130.7	133.4	134.7
46. STATE EDUCATION	51.4	51.7	52.9	54.0	54.3	6.2	5.4	4.4	1.5	46.9	49.8	52.5	54.8	55.6
47. OTHER STATE GOVT	77.8	78.4	78.7	78.1	77.9	6.4	5.1	0.5	0.6	70.0	74.5	78.2	78.6	79.1
48. LOCAL GOVERNMENT	298.0	297.8	302.1	299.4	300.7	3.6	4.1	1.7	1.7	277.8	287.6	299.3	304.5	309.6
49. LOCAL EDUCATION	157.3	157.0	161.5	156.7	157.2	4.6	3.3	1.1	1.6	146.3	153.0	158.1	159.8	162.3
50. OTHER LOCAL GOVT	140.7	140.9	140.6	142.6	143.5	2.4	4.9	2.5	1.8	131.5	134.6	141.2	144.7	147.3
51. TOTAL NONAG. PAYROLL	3021.3	3011.1	3004.7	2989.4	2984.0	2.3	2.1	-0.3	1.5	2878.0	2945.4	3006.6	2997.9	3041.9
52. CIVILIAN UNEMPL. RATE	5.1	5.1	6.0	6.0	6.3					5.9	5.6	5.3	6.7	6.9

Source : Data (in 1000's) seasonally adjusted by Forecasting Center.
Dec(P) is seasonally adjusted preliminary December employment. 1991(F) and 1992(F) are forecasted values.

Table 2

Georgia Personal Income for 1987-89 with Forecasts through 1992

Georgia State University
College of Business Administration
Economic Forecasting Center
February 1991

Description Quarterly Personal Income	Quarterly Data IV89	 I90	 II90	 III90	Annual percent change 88/87	 89/88	 90/89(F)	 91/90(F)	 92/91(F)	Annual Average 1988	 1989	 1990(F)	 1991(F)	 1992(F)
By Place of Residence														
1. Total Personal Income	104799	107797	109235	110290	8.6	6.7	6.1	5.0	6.8	96860	103312	109590	115094	122904
2. Nonfarm Personal Income	103657	106220	107817	109015	8.5	6.7	6.1	5.1	6.7	95547	101958	108204	113699	121360
3. Farm Personal Income	1142	1578	1417	1275	18.2	3.2	2.3	0.6	10.7	1313	1355	1386	1395	1544
Derivation of Income														
4. Total Earnings	80631	83144	84279	84926	8.3	5.2	5.7	4.2	6.6	75905	79863	84424	87994	93807
5. less: SSI Contribution	4854	5069	5088	5161	11.9	8.4	6.4	4.9	7.0	4439	4812	5122	5372	5746
6. plus: Residence Adj	-106	-117	-117	-106	-29.6	-28.5	-1.8	-12.7	-4.2	-157	-112	-110	-96	-92
7. equals: Net Earnings	75670	77958	79074	79660	8.2	5.1	5.7	4.2	6.6	71310	74938	79192	82526	87969
8. plus: Div, Int, Rent	15375	15496	15700	15951	11.2	14.6	5.9	5.9	6.4	13038	14947	15827	16755	17821
9. plus: Transfer Paymnts	13754	14344	14461	14679	8.5	7.3	8.5	8.5	8.2	12513	13428	14571	15813	17114
10. State UI Benefits	258	293	299	314	-1.2	13.3	20.6	13.5	0.9	227	257	310	352	355
11. Insfrs less SUIB	13496	14051	14162	14364	8.7	7.2	8.3	8.4	8.4	12286	13171	14261	15461	16759
By Place of Work														
12. Components of Earnings														
13. Wages and Salaries	66154	67754	68812	69453	7.9	5.0	5.4	4.0	6.4	62288	65402	68913	71688	76253
14. Other Labor Income	6234	6460	6551	6614	8.0	6.2	7.6	6.2	8.0	5764	6120	6584	6989	7550
15. Proprietors Income	8243	8930	8916	8859	12.0	6.2	7.0	4.4	7.4	7854	8342	8927	9317	10004
16. Farm	986	1421	1258	1114	20.9	3.4	2.1	-0.2	11.3	1161	1201	1226	1224	1362
17. Nonfarm	7257	7509	7659	7746	10.6	6.7	7.8	5.1	6.8	6693	7141	7701	8093	8642
Earnings By Industry														
18. Farm	1142	1578	1417	1275	18.2	3.2	2.3	0.6	10.7	1313	1355	1386	1395	1544
19. Nonfarm	79488	81567	82862	83651	8.1	5.2	5.8	4.3	6.5	74593	78507	83038	86599	92263
20. Private	65912	67674	68732	69374	8.2	4.7	5.6	4.1	6.5	62303	65242	68890	71736	76426
21. Ag Svc, Fish, Etc	349	357	358	358	8.7	3.4	5.9	2.0	2.5	327	338	358	365	374
22. Mining	338	352	354	371	15.2	2.0	6.5	3.0	4.8	332	339	361	372	390
23. Construction	4593	4868	5007	4863	4.4	-2.0	3.2	-4.7	2.8	4804	4708	4860	4631	4761
24. Manufacturing	14454	14789	14925	14956	4.2	1.4	1.8	2.3	4.4	14421	14622	14881	15227	15900
25. Nondurable Goods	8247	8473	8412	8349	4.7	3.1	1.1	2.5	4.5	8061	8309	8403	8615	9006
26. Durable Goods	6208	6316	6513	6607	3.4	-0.7	2.6	2.1	4.3	6359	6313	6478	6612	6894
27. Trans and Pub Utils	7160	7633	7754	7855	5.6	2.0	10.7	3.1	8.2	6898	7037	7793	8031	8691
28. Wholesale Trade	7587	7579	7646	7693	12.4	7.2	1.8	3.2	6.0	7029	7535	7668	7915	8386
29. Retail Trade	7907	8042	8180	8220	8.3	3.5	3.9	4.2	5.6	7598	7863	8172	8514	8992
30. Fin, Ins, and RE	5397	5416	5539	5679	6.0	3.5	6.1	6.0	7.9	5105	5281	5602	5936	6406
31. Services	18127	18638	18969	19378	13.2	10.9	9.6	8.1	8.6	15792	17519	19195	20745	22526
32. Gvt and Gvt Entprs	13577	13893	14130	14278	8.0	7.9	6.6	5.1	6.6	12289	13266	14148	14863	15837
33. Federal, Civilian	3035	3165	3220	3199	8.4	5.8	5.7	1.1	5.8	2854	3019	3191	3225	3413
34. Military	1658	1720	1723	1733	3.1	3.1	4.2	-2.7	9.6	1605	1655	1725	1678	1839
35. State and Local	8884	9008	9186	9346	8.9	9.7	7.4	7.9	6.3	7830	8592	9232	9960	10585
36. % of US Nonfarm	2.35	2.37	2.37	2.36						2.39	2.37	2.37	2.35	2.37
37. Population					1.8	1.2	1.0	0.9	1.0	6339	6415	6478	6537	6601

Source : Bureau of Economic Analysis
1990(F), 1991(F) and 1992(F) are forecasted values.

Table 3

Atlanta Wage & Salary Employment (Seasonally Adjusted) for 1988-90 with Forecasts through 1992

Georgia State University
College of Business Administration
Economic Forcasting Center
February 1991

Description	Quarterly Seasonalized Data I 90	II 90	III 90	IV 90	Dec(P)	Annual Percentage Change 89/88	90/89	91/90	92/91	Annual Average 1988	1989	1990	1991(F)	1992(F)
1. MANUFACTURING	178.1	178.8	176.3	172.7	171.6	-3.6	-0.9	-3.2	1.2	184.7	178.1	176.5	170.9	173.0
2. DURABLE GOODS	87.3	87.6	85.5	82.6	81.6	-7.0	-3.5	-5.5	1.9	95.5	88.8	85.7	81.0	82.5
3. LUMBER AND WOOD	3.5	3.4	3.3	3.2	2.9	-22.3	-12.2	-13.8	0.0	4.9	3.8	3.4	2.9	2.9
4. FURNITURE AND FIXTURES	3.9	3.8	3.6	3.4	3.3	-4.7	-6.5	-10.2	0.0	4.1	3.9	3.7	3.3	3.3
5. STONE, CLAY, AND GLASS	8.8	8.4	8.5	8.4	8.3	-4.8	-2.2	-2.7	1.2	9.2	8.7	8.5	8.3	8.4
6. PRIMARY METAL INDUSTRY	6.9	6.7	6.6	6.5	6.7	2.8	-0.7	-1.0	1.5	6.5	6.7	6.7	6.6	6.7
7. FABRICATED METAL	9.4	9.5	9.4	9.2	9.0	-1.7	-0.3	-4.0	1.1	9.6	9.4	9.4	9.0	9.1
8. MACHINERY EXC ELECTRIC	11.4	11.4	11.4	11.3	11.5	8.0	6.6	-0.7	3.5	9.9	10.7	11.4	11.3	11.7
9. ELECTRIC & ELECTRONIC	15.9	15.7	15.4	14.8	14.5	-1.7	-0.9	-6.8	-0.7	15.8	15.6	15.5	14.4	14.3
10. TRANSPORTATION EQUIP	20.1	20.8	20.3	18.4	18.0	-20.9	-12.5	-9.5	4.4	28.7	22.7	19.9	18.0	18.8
11. OTHER DURABLE GOODS	7.4	7.4	7.3	7.2	7.3	7.7	1.7	-1.8	1.4	6.7	7.2	7.3	7.2	7.3
12. NONDURABLE GOODS	90.8	91.1	90.9	90.3	90.0	0.1	1.6	-1.0	0.7	89.2	89.3	90.8	89.9	90.5
13. FOOD AND KINDRED	20.8	21.2	21.5	21.9	21.8	0.4	4.7	3.0	2.3	20.3	20.4	21.4	22.0	22.5
14. TEXTILE MILL PRODUCTS	7.8	7.6	7.5	7.4	7.4	3.1	-3.3	-4.8	-1.4	7.6	7.8	7.6	7.2	7.1
15. APPAREL & TEXTILE	9.8	10.0	9.5	9.2	9.3	-7.4	-1.1	-3.4	-1.1	10.5	9.7	9.6	9.3	9.2
16. PAPER & ALLIED PRODUCT	9.5	9.5	9.6	9.8	10.0	7.1	-1.3	4.2	1.0	9.1	9.7	9.6	10.0	10.1
17. PRINTING & PUBLISHING	24.8	24.7	24.7	24.5	24.2	0.6	2.7	-2.0	0.4	23.9	24.0	24.7	24.2	24.3
18. CHEMICALS & ALLIED	9.9	9.9	9.9	9.5	9.5	3.1	2.8	-4.0	1.1	9.2	9.5	9.8	9.4	9.5
19. OTHER NONDURABLE GOODS	8.3	8.3	8.2	7.9	7.8	-6.0	0.6	-4.3	0.0	8.6	8.1	8.2	7.8	7.8
20. TOTAL NONMANUFACTURING	1313.8	1312.5	1312.7	1310.1	1308.3	3.0	2.9	-0.1	2.0	1237.7	1275.1	1312.3	1311.5	1337.4
21. MINING	1.2	1.2	1.2	1.1	1.1	11.9	-10.2	-2.3	0.0	1.5	1.3	1.2	1.1	1.1
22. CONSTRUCTION	69.4	68.5	67.3	64.3	62.9	-4.1	-1.1	-9.0	-0.5	71.0	68.1	67.4	61.3	61.0
23. TRANSP, COMM & PUB UT	125.4	127.0	127.9	128.6	128.6	0.5	5.2	-3.1	3.9	120.3	120.9	127.2	123.3	128.1
24. TRANSPORTATION	79.9	80.2	80.9	81.5	81.0	-0.4	6.1	-6.2	5.6	76.3	76.0	80.6	75.6	79.8
25. COMMUNICATION & UTILITY	45.5	46.8	47.0	47.1	47.6	2.0	3.8	2.3	1.3	44.0	44.9	46.6	47.7	48.3
26. WHOLESALE & RETAIL TRADE	419.6	418.9	418.1	415.2	413.6	2.6	1.5	-0.4	1.3	401.1	411.7	417.9	416.1	421.5
27. WHOLESALE TRADE	146.9	146.9	145.9	145.9	145.7	3.3	1.8	-0.6	1.2	139.2	143.9	146.4	145.5	147.2
28. DURABLE GOODS	106.2	105.6	105.1	105.9	106.2	4.3	1.8	0.3	0.8	99.6	103.9	105.7	106.0	106.8
29. NONDURABLE GOODS	40.7	41.3	40.8	40.0	39.5	0.8	1.8	-3.0	2.3	39.7	40.0	40.7	39.5	40.4
30. RETAIL TRADE	272.7	272.0	272.2	269.3	267.8	2.3	1.4	-0.3	1.4	261.9	267.9	271.5	270.6	274.3
31. FINANCE, INSUR & RL EST	106.6	105.8	106.7	106.7	106.8	2.3	0.6	0.5	1.7	103.5	105.8	106.4	107.0	108.8
32. FINANCE	44.7	44.5	44.2	44.3	44.3	1.2	-2.1	-0.3	0.9	44.8	45.4	44.4	44.3	44.7
33. INSURANCE	39.2	38.8	39.5	40.0	40.3	3.1	3.4	3.1	3.7	36.9	38.1	39.4	40.6	42.1
34. REAL ESTATE	22.7	22.4	22.9	22.4	22.2	3.0	1.2	-2.2	-0.5	21.7	22.3	22.6	22.1	22.0
35. SERVICES	374.5	372.1	371.5	372.4	374.2	6.0	4.4	1.9	2.7	336.7	356.8	372.6	379.7	389.9
36. HOTELS & OTHER LODGING	24.3	24.3	24.1	24.0	24.0	0.6	2.2	-0.7	2.1	23.5	23.6	24.2	24.0	24.5
37. BUSINESS SERVICES	104.5	102.7	101.0	100.9	100.9	7.1	2.9	-1.7	0.8	92.8	99.4	102.3	100.5	101.3
38. HEALTH SERVICES	69.4	70.3	70.6	70.8	71.1	5.5	6.3	5.0	5.0	62.7	66.1	70.3	73.8	77.5
39. GOVERNMENT	217.1	219.0	220.2	221.1	221.2	3.4	4.2	1.7	1.8	203.6	210.5	219.4	223.0	227.0
40. FEDERAL GOVERNMENT	43.3	45.2	44.1	43.9	43.0	-0.9	2.4	-2.5	1.2	43.5	43.1	44.1	43.0	43.5
41. DEFENSE	6.0	5.8	5.8	5.6	5.6	1.9	-5.3	-5.3	3.6	6.0	6.1	5.8	5.5	5.7
42. OTHER FEDERAL	37.3	39.4	38.3	38.2	37.5	-1.3	3.6	-2.1	0.8	37.5	37.0	38.3	37.5	37.8
43. STATE & LOCAL GOVERNMENT	173.8	173.9	176.1	177.3	178.2	4.5	4.7	2.7	1.9	160.2	167.4	175.3	180.0	183.5
44. STATE GOVERNMENT	46.6	46.7	48.1	48.7	49.2	8.1	7.9	4.4	2.0	40.7	44.0	47.5	49.6	50.6
45. STATE EDUCATION	17.0	17.2	18.2	18.9	19.2	12.4	13.6	8.8	3.1	14.0	15.7	17.8	19.4	20.0
46. OTHER STATE GOVT	29.6	29.5	29.8	29.8	30.0	5.8	4.8	1.7	1.3	26.8	28.3	29.7	30.2	30.6
47. LOCAL GOVERNMENT	127.2	127.1	128.0	128.6	129.2	3.3	3.6	2.1	1.9	119.4	123.3	127.7	130.4	132.9
48. LOCAL EDUCATION	62.8	63.2	64.8	63.3	63.8	4.1	3.8	1.7	2.2	58.8	61.2	63.5	64.6	66.0
49. OTHER LOCAL GOVT	64.4	64.4	63.3	64.9	65.4	2.6	3.4	2.4	1.7	60.6	62.2	64.3	65.8	66.9
50. TOTAL NONAG. PAYROLL	1490.9	1491.5	1487.8	1482.7	1479.9	2.2	2.4	-0.4	1.9	1422.4	1453.2	1488.2	1482.4	1510.4
51. CIVILIAN UNEMPL. RATE	4.7	4.8	5.6	5.5	5.8					5.2	5.2	5.2	6.4	6.5

Source : Data (in 1000's) seasonally adjusted by Forecasting Center.
Dec(P) is seasonally adjusted preliminary December employment. 1991(F), and 1992(F) are forecasted values.

Table 4

Atlanta Personal Income for 1985-88 with Forecasts through 1992

Georgia State University
College of Business Administration
Economic Forecasting Center
February 1991

Description Annual Personal Income	Annual Average 1986	1987	1988	1989(F)	1990(F)	1991(F)	1992(F)	Annual Percentage Change 87/86	88/87	89/88(F)	90/89(F)	91/90(F)	92/91(F)
By Place of Residence													
1. Total Personal Income	42124	46357	50354	53713	57218	60022	64358	10.1	8.6	6.7	6.5	4.9	7.2
2. Nonfarm Personal Income	41971	46235	50207	53563	57058	59856	64183	10.2	8.6	6.7	6.5	4.9	7.2
3. Farm Personal Income	153	123	147	150	160	166	175	-19.8	19.5	2.3	6.7	3.8	5.4
Derivation of Income													
4. Total Earnings	35798	39467	42846	44917	47694	49713	53258	10.3	8.6	4.8	6.2	4.2	7.1
5. less: SSI Contribution	2060	2245	2528	2731	2919	3062	3291	8.9	12.6	8.0	6.9	4.9	7.5
6. plus: Residence Adj	-1038	-1190	-1288	-1156	-1123	-1094	-1057	14.7	8.2	-10.2	-2.9	-2.6	-3.4
7. equals: Net Earnings	32699	36032	39030	41030	43652	45557	48910	10.2	8.3	5.1	6.4	4.4	7.4
8. plus: Div, Int, Rent	5619	6277	6926	7961	8446	8911	9432	11.7	10.3	14.9	6.1	5.5	5.8
9. plus: Transfer Paymnts	3805	4048	4397	4722	5120	5554	6016	6.4	8.6	7.4	8.4	8.5	8.3
By Place of Work													
10. Components of Earnings													
11. Wages and Salaries	30082	33149	36056	37721	39970	41651	44668	10.2	8.8	4.6	6.0	4.2	7.2
12. Other Labor Income	2848	3163	3401	3605	3874	4087	4408	11.1	7.5	6.0	7.5	5.5	7.9
13. Proprietors Income	2868	3156	3388	3591	3850	3975	4182	10.0	7.4	6.0	7.2	3.2	5.2
14. Farm	144	113	137	139	148	153	161	-21.3	21.2	1.4	6.5	3.4	5.2
15. Nonfarm	2724	3042	3251	3452	3702	3822	4021	11.7	6.9	6.2	7.2	3.2	5.2
Earnings By Industry													
16. Farm	153	123	147	150	160	166	175	-19.8	19.5	2.3	6.7	3.8	5.4
17. Nonfarm	35645	39345	42699	44767	47534	49547	53083	10.4	8.5	4.8	6.2	4.2	7.1
18. Private	31352	34600	37499	39160	41539	43149	46243	10.4	8.4	4.4	6.1	3.9	7.2
19. Ag Svc, Fish, Etc	115	135	149	153	162	165	169	17.4	9.7	3.1	5.5	2.2	2.6
20. Mining	52	65	70	64	62	64	68	23.9	7.7	-8.7	-2.8	2.7	6.0
21. Construction	2540	2693	2805	2696	2784	2598	2676	6.0	4.1	-3.9	3.3	-6.7	3.0
22. Manufacturing	5322	5665	5830	5751	5894	6006	6315	6.4	2.9	-1.4	2.5	1.9	5.1
23. Nondurable Goods	2228	2420	2604	2693	2792	2873	3023	8.6	7.6	3.4	3.7	2.9	5.2
24. Durable Goods	3095	3245	3226	3058	3101	3132	3292	4.9	-0.6	-5.2	1.4	1.0	5.1
25. Trans and Pub Utils	4101	4604	4885	4963	5603	5710	6224	12.3	6.1	1.6	12.9	1.9	9.0
26. Wholesale Trade	4586	4955	5591	5977	6025	6223	6628	8.0	12.8	6.9	0.8	3.3	6.5
27. Retail Trade	3692	4043	4338	4503	4647	4801	5069	9.5	7.3	3.8	3.2	3.3	5.6
28. Fin, Ins, and RE	3021	3409	3766	3932	4184	4418	4785	12.8	10.5	4.4	6.4	5.6	8.3
29. Services	7921	9031	10065	11122	12178	13165	14310	14.0	11.4	10.5	9.5	8.1	8.7
30. Gvt and Gvt Entprs	4293	4744	5200	5606	5995	6398	6840	10.5	9.6	7.8	6.9	6.7	6.9
31. Federal, Civilian	1122	1217	1348	1396	1473	1501	1578	8.5	10.8	3.6	5.5	1.9	5.1
32. Military	260	271	279	286	296	299	319	4.2	3.0	2.7	3.5	1.0	6.7
33. State and Local	2912	3257	3574	3924	4226	4598	4943	11.9	9.7	9.8	7.7	8.8	7.5
34. % of GA Nonfarm	51.6	52.3	52.6	52.5	52.7	52.6	52.9						
35. Population	2569	2656	2737	2787	2834	2877	2911	3.4	3.0	1.8	1.7	1.5	1.2

Source : Bureau of Economic Analysis
1989(F), 1990(F), 1991(F) and 1992(F) are forecasted values.

TABLE 5

METRO ATLANTA HOUSING PERMITS
FOR 1988 THROUGH 1989 WITH FORECASTS THROUGH 1992

Georgia State University
College of Business Administration
Economic Forecasting Center
February 1991

COUNTY	I90		II90		III90		IV90		1988		1989		1990		1991(F)		1992(F)	
	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI
BARROW	55	0	87	0	48	0	52	0	253	10	222	48	242	0	240	0	230	10
BUTTS	23	0	24	4	31	0	19	0	128	6	103	0	97	4	105	10	110	10
CHEROKEE	325	9	286	0	245	1	197	6	1700	43	1136	17	1053	16	990	20	920	20
CLAYTON	221	288	319	154	230	5	179	0	1475	1319	1102	1199	949	447	825	100	760	50
COBB	769	70	712	8	607	55	442	152	4231	1567	2958	1367	2530	285	2170	300	1965	340
COWETA	224	2	233	0	201	0	166	0	873	53	833	231	824	2	785	10	750	10
DEKALB	552	668	525	63	553	469	655	154	2940	4589	2280	2653	2285	1354	2320	870	2240	850
DOUGLAS	137	4	189	0	103	18	76	19	895	647	541	899	505	41	420	40	400	40
FAYETTE	244	2	241	6	167	0	174	2	1221	7	892	368	826	10	760	10	790	10
FORSYTH	176	0	216	0	156	0	130	0	826	4	748	7	678	0	620	10	600	10
FULTON	1326	2259	663	39	696	605	464	110	3961	4978	3440	4347	3149	3013	2180	1220	2070	1320
GWINNETT	913	25	918	22	899	484	718	57	4551	1238	3851	437	3448	588	3120	500	3100	600
HENRY	324	4	305	52	263	14	193	128	1412	151	1083	210	1085	198	1000	200	940	220
NEWTON	129	80	192	0	132	0	105	0	449	80	532	194	558	80	510	10	500	10
PAULDING	219	0	277	0	243	0	178	0	893	2	689	80	917	0	920	10	950	20
ROCKDALE	155	0	202	0	188	4	86	0	743	116	567	1	631	4	620	10	610	10
SPALDING	77	4	72	2	63	4	27	16	321	304	308	36	239	26	180	40	170	40
WALTON	96	2	147	0	158	24	71	0	562	74	481	34	472	26	360	25	340	30
TOTAL: SINGLE & MULT	5965	3417	5608	350	4983	1683	3932	644	27434	15188	21766	12128	20488	6094	18125	3385	17445	3600
% CHANGE FROM PREVIOUS QUARTER/YEAR	-8.2	22.7	2.6	-87.7	-4.4	-50.5	-14.4	-79.2	-8.9	35.3	-20.7	-20.1	-5.9	-49.8	-11.5	-44.5	-3.8	6.4
TOTAL PERMITS (SINGLE + MULTI)	9382		5958		6666		4576		42622		33894		26582		21510		21045	
% CHANGE IN TOTAL (SINGLE + MULTI)	1.1		-28.3		-22.6		-40.5		-21.2		-20.5		-21.6		-19.1		-2.2	
ESTIMATED POTENTIAL ABSORPTION (000)									38.9		27.3		25.7		23.7		19.2	

Source : Homebuilders Association of Metro Atlanta
1991(F) and 1992(F) are forecasted values

The Georgia State University Economic Forecasting Center collects data, engages in analysis of macro-economic systems and develops procedures that aid in the creation of econometric descriptions of the national, regional and local economies. Our research is sponsored by the Georgia State University College of Business Administration and receives financial support from the following organizations:

ATLANTA CAPITAL MANAGEMENT • Since 1990
BANKERS FIRST FEDERAL SAVINGS • Since 1983
BELLSOUTH CORPORATION • Since 1983
THE CITIZENS AND SOUTHERN NATIONAL BANK • Since 1973
THE COCA-COLA COMPANY • Since 1973
FEDERAL HOME LOAN BANK OF ATLANTA • Since 1989
FIRST ATLANTA CORPORATION • Since 1973
GEORGIA-PACIFIC CORPORATION • Since 1983
GEORGIA POWER COMPANY • Since 1990
THE ORIGINAL HONEY BAKED HAM COMPANY OF GEORGIA, INC. • Since 1988
LOWE'S COMPANIES, INC. • Since 1983 (NORTH WILKESBORO, NORTH CAROLINA)
MORGAN, KEEGAN AND COMPANY, INC. • Since 1975 (MEMPHIS, TENNESSEE)
OGLETHORPE POWER CORPORATION • Since 1983
PHYSICIANS GLOBAL MORTGAGE CORPORATION • Since 1990
THE ROBINSON-HUMPHREY COMPANY, INC. • Since 1976
SOUTHERN BELL TELEPHONE & TELEGRAPH COMPANY • Since 1976
TRUST COMPANY OF GEORGIA • Since 1973
UNITED FAMILY LIFE INSURANCE COMPANY • Since 1987
VULCAN MATERIALS COMPANY • Since 1985 (BIRMINGHAM, ALABAMA)

Associate Sponsors:

E.C.C. AMERICA, INC. • Since 1979
ERNST & YOUNG • Since 1990
FULTON FEDERAL SAVINGS AND LOAN ASSOCIATION • Since 1978
JGA CORPORATION • Since 1989
OBERDORFER INSURANCE ASSOCIATES • Since 1986
PRYOR, MCCLENDON, COUNTS & COMPANY • Since 1988
ROCK-TENN COMPANY • Since 1989
SHEARSON LEHMAN HUTTON • Since 1988
STATE MUTUAL INSURANCE COMPANY • Since 1990
TRIMBLE HOUSE CORPORATION • Since 1983

Georgia State University, a unit of the University System of Georgia, is an equal opportunity educational institution and is an equal opportunity/affirmative action employer.

FORECAST OF GEORGIA & ATLANTA

1991–1992

GEORGIA STATE UNIVERSITY
COLLEGE OF BUSINESS ADMINISTRATION

May 1991

Dr. Donald Ratajczak, Director

ECONOMIC FORECASTING CENTER

THE WORST IS OVER; BUT GEORGIA'S RECOVERY WILL BE SLOW

Dr. Donald Ratajczak
Director
Economic Forecasting Center

SUMMARY

Employment in Georgia during March was 38,000 below previous year levels according to the latest employment statistics. This is more than twice the percentage job loss in the nation during the same period. Also, revenues plunged, with receipts for the initial nine months of this fiscal year only 1.9% above previous year levels. Fortunately, April's revenues rebounded, although sales tax receipts remained negative. Virtually all our indicators were negative during the winter months, with sales showing the greatest weakness. However, an uptick in commercial bank deposits along with the extreme nature of the weakness suggest that the downturn is approaching an end. Our estimates of **gross state product**, which were 1.8% below 1990 levels during the first quarter, **should fall 1.5% for the year**. This compares to a decline of only 0.3% for the nation. In 1992, Georgia's state product should grow 2.5%, about the same as the nation.

This recession's severity clearly has slowed long term growth for the state. Including the recessionary dip, employment may grow only 1.2% annually through 1995. Manufacturing should show minimal growth, with construction related industries showing little recovery from the 1990 recession. Sectors with less employment in 1995 than before the 1990 recession include federal defense employees, as Moody's closes, mining, textiles and apparel, transportation equipment (as Doraville may go the way of Lakewood), furniture and lumber. Even government should grow more slowly than previously expected because of budget constraints. Only health appears to be unconcerned by economic conditions.

Reduced employment prospects should further slow population gains. While some migration into Georgia will continue, population growth should average only 1.2% per year during the period. Employment is projected to fall 22,400 this year before rebounding by 52,900 next year. Unemployment rates should average 6.6% during the next two years.

Our data suggest that sales fell even sharper than income in Georgia during the first quarter. Some of this reflects a dismal tourist and convention season, but some data also indicates that Georgians kept their hands in their pockets. Therefore, spending capacity improved, even if spending did not. As consumer confidence returns, some of that pocket change should enter the economy. By the end of spring, the Georgia economy should begin a slow rebound. Revenue growth will slow government activity for the next fiscal year, with receipts only slightly over 2%. However, next year's austere budget should easily be financed by a projected 5.5% gain in receipts. The subsequent year, receipts should approach an 8% gain.

Georgia apparently had more difficulty because tourism and convention activity, which was substantially stilled by war fears, has become more important. Also, more troops left Georgia than all but one other state for the Persian Gulf. This disrupted activity in the military towns. A rebounding dollar also did not help the import exposed textile and apparel industries. Although an upturn is not yet evident in our statistics, our analysis suggests that Georgia is well along toward adjusting to a slower growth economy and should be able to advance in a subdued expansion in a few months.

RECENT CONDITIONS

During the past year, Georgia's personal income increased in line with the United States. However, gains were only an anemic 0.3% during the fourth quarter as compared to a recessionary 0.8% for the United States. Part of the weakness was in farm income, where problems with the peanut crop and downstate drought caused income to fall sharply, even as conditions were improving in the nation. However, the nonfarm economy also performed more poorly in Georgia. The weakness in goods production was greater in Georgia than nationwide, with construction payrolls falling 4.2% vs 3.7% in the U.S., and durable manufacturing falling 2.9% vs 1.3%. Transportation services also fell 0.2% in Georgia while rising 0.5% in the United States. Of course, the largest discrepancy was in military payrolls because of the Persian Gulf

deployment. While the United States suffered a decline of 1.4%, the drop in Georgia was an eye-popping 13.5%. One of the few bright spots in the Georgia economy included financial service payrolls, up 1.2% while the banking crisis was cutting payrolls nationwide by 0.1%. Also, payrolls in private services rose 2.2% in Georgia as compared to a 1.3% gain for the nation. Unemployment compensation also grew 32.7% in Georgia during the fourth quarter, while the increase was only 14.2% for the United States. Clearly, this better Georgia gain is not a sign of relative strength.

According to our indicators, Georgia's gross state product fell at a sharp 3.6% annual rate during the fall and a sharp 5.2% rate in the winter. This compares with declines of 1.6% and 2.8% for the United States. The Persian Gulf deployment, the demise of Eastern airlines, weakness in agriculture, and greater exposure to international competition accounted for much of the greater weakness in Georgia. By the end of the first quarter, **gross state product in Georgia was 1.7% less than a year ago.** Over the same period, the U.S. economy fell 0.6%. Every indicator fell during the quarter, with the largest declines for unemployment (where an increase subtracts from the index) and hours worked. Even with this sharp drop in labor input, however, productivity appears to have fallen. Therefore, further declines in corporate profitability are expected; which could lead to further layoffs in the months ahead.

Georgia's leading indicators show little evidence that the weakness is about to end. A rise in bank deposits was the only indicator suggesting some lessening of weakness. The upturn in consumer spending during the fall was not sustained, as **sales tax receipts took the largest quarterly decline in 20 years**. Because of the weakness in consumer activity, the leading indicators once again fell more sharply than the coincident indicators, suggesting further weakness ahead. A decline in the manufacturing workweek indicates further weakness is likely in that sector. Even residential permits and construction contracts continue to show weakness. This drop in permits is in contrast to a modest improvement in permits nationwide. Thus, no evidence of an upturn in the Georgia economy is signalled by the indicators at this time.

Revised employment data show less job loss during the fourth quarter than reported three months ago. Nevertheless, our seasonally adjusted employment estimates show a decline of 7500 jobs for the quarter. This 1% decline was less than the 1.6% annualized rate of decline in jobs nationwide. During the first quarter, preliminary estimates show an additional 20,500 jobs were lost or an annualized rate of 2.7%. This is slightly more than the 2.3% decline at annual rates for the nation. Job loss remained intense in March. In manufacturing, every durable goods producing sector is showing job loss. The largest declines are in building materials, transportation equipment, and electrical machinery.

Job loss is not as widespread in the nondurables sector. Employment has weakened sharply in the textile and apparel industries. Printing and rubber product production also have weakened considerably in recent months. In contrast, food processing is rising strongly while the paper and chemical industries are holding their own. The mining and construction sectors of goods production also are falling, with construction virtually in a freefall during the winter months.

Unfortunately, weakness has spread beyond goods production. The demise of Eastern has sharply reduced employment in transportation services. Some rebound later this year is likely as United Parcel moves its headquarters to Atlanta. However, concourse C at Hartsfield airport probably will remain unutilized for some time. Weakness also is apparent in financial services, wholesale and retail trade, real estate, lodging, business services and federal employment. Of these, only finance and federal government employment appear to have stabilized in March.

Contrary to the dip in savings nationwide, savings rates appear to have increased in Georgia. During the past year, disposable personal income rose about 6%. After inflation of nearly 5%, this equates to a 1% gain in real purchasing power. Taxable sales increased only 1.6% for the year, a decline of 2% after inflation. With services growing about 3% after inflation, spending showed little growth after inflation. This means that savings rates increased about 1% during the year. While earnings are eroding sharply, this means that the Georgia consumer still has the capacity to raise spending if consumer sentiment improves.

During the fourth quarter, **taxable sales improved over the previous year by more than during the summer in every metropolitan area but Macon.** Atlanta showed a modest improvement from 0.2% to 0.7%. Columbus and Albany reversed third quarter declines with gains of 2.1% and 3.4% respectively. Savannah and Athens saw taxable sales improve respectively to 5.8% and 3.4%. Aided by a surge in its South Carolina county of Aiken, Augusta scored a 12.5% gain from the previous year. Thus, Macon's 0.9% decline was not typical. Unfortunately, our indicators show a dramatic reversal in spending during the winter which probably will cause all these areas to perform more poorly.

Both Atlanta and Georgia experienced sharp increases in their insured unemployment rates during the winter. Georgia's rate leaped by nearly a percentage point to 2.9% in March from December. Atlanta's rate surged by a full percentage point to 2.6%. While the insured rate remains higher nationwide, at 3.3%, increases were not so dramatic there. In March, an apparent statistical fluke lowered Georgia's unemployment from 7% to 5.6%. This was only a percentage point above the previous year, while national unemployment rose 1.7 percentage points over that time. Employment in the household survey fell by 48,373, or 1.6%. Nationwide, employment fell only 1.2%. However, a surprising 19,000 drop in the Georgia workforce permitted the relative improvement in unemployment. By contrast, the labor force grew 0.5% for the nation. The employment changes in Georgia are consistent with the 38,000 drop in the establishment survey, but the labor force changes clearly cannot be correct.

ALBANY - Employment in the household survey continued to expand by nearly 800 from previous year levels. The labor force also grew, but by slightly less. Therefore, unemployment actually fell in Albany from the previous year to a relatively low 5.6%. Payroll employment continued to hold a 1200 gain from the previous year. Unfortunately, half the gain was in construction, which cannot be sustained. Food processing also showed substantial gains. Large gains also were recorded by retail trade (400) and state and local government (400). However, wholesale trade fell 200 while federal employment declined a large 300. At this point, Albany has not experienced the recession that engulfs much of Georgia, but the strength in construction clearly cannot be sustained.

AUGUSTA - A 1728 decline in employment from the household survey and an 800 increase in the labor force led to a 1.3 percentage point increase in unemployment to 4.8% from the previous year. The scaling back of operations at the Savannah River Plant will continue to slow developments in Augusta, as Westinghouse will probably reduce the size of its transfers to Augusta. However, several large construction projects caused payroll employment to grow by 1100. Durable manufacturing fell by 300, while nondurables rose by 600. Modest weakness also was recorded in wholesale trade, finance and transportation. State and local government employment increased by 400. Obviously, the payroll report is incompatible with the household report of employment. However, once the construction projects are completed, the Augusta economy will become stalled, though it currently is not in recession.

ATHENS - A sharp decline in the labor force was not enough to offset an even sharper 2054 decline in employment according to the household surveys. Thus, the unemployment rate rose from 3.8% to 4.4% over the past year. Weakness also was apparent in the payroll estimates, which showed a 1400 reduction in jobs. Weakness was widespread, including textiles, durable manufacturing, retail trade, and even the service sector. Only wholesale trade, food processing and construction showed any gains. Clearly, Athens is in recession and shows little sign of ending the slump soon.

ATLANTA - Atlanta's household surveys showed a decline of nearly 23,000. A drop of 8000 in the labor force partially blunted unemployment, which is up one percentage point to 5.2%. Payroll employment fell 10,000, clearly suggesting that recession is impacting the Atlanta economy at this time. Obviously, the closing of Lakewood and the demise of Eastern have substantially contributed to that job loss.

COLUMBUS - No change in the labor force was not enough to keep unemployment rates from rising to 5.5% from 5.0% a year ago. The household survey shows a 457 decline in employment from the previous year. Payroll

employment shows a modest 300 gain for the year, suggesting the economy is mixed at this time. The service sector has increased a strong 1500 in the past year, food processing is up 500, state and local government is 500 higher, and construction is 400 ahead of the previous year. Textiles are down 700, while retail activity, reflecting the loss of military, has fallen a sharp 1300. This mixed pattern may persist without clearly dropping Columbus into recession, especially as the military situation is improving.

MACON - The weakness in taxable sales is not apparent in the employment statistics for Macon. Both the labor force and employment are up 600, causing no change in the 4.4% unemployment rate from a year ago. Payrolls are up a stronger 1700, despite a sharp 700 decline in construction and a 900 drop in federal employment. Gains were significant in durable manufacturing, finance, services, and state and local government. These statistics suggest that Macon is not in recession. Furthermore, military consolidation may add to the airwing at Warner-Robbins. However, those weak taxable sales cannot be fully overlooked.

SAVANNAH - The household survey continued to show strong gains in employment and the labor force in Savannah. Unemployment remained the lowest of all metropolitan areas at 4.3%. Payrolls are up a strong 3.5% from the previous year, even more than the strong gains in the payroll survey. Savannah simply has not seen a recession. However, the strength is being provided by construction associated with the rebuilding of Union Camp's paper facility. In addition to 2600 gains in construction, the service sector rose 1000, and gains also were significant for paper, transportation, finance, and services. Government payrolls declined, while retail trade and transportation equipment (Gulfstream probably) were weak. Further gains are likely for the remainder of this year.

Clearly, not all of Georgia is experiencing recession at this time. Albany, Macon, and Savannah continue to expand, while the outlook is mixed for Augusta and Columbus. Only Athens and Atlanta clearly are suffering recession from the metropolitan areas. However, weakness is substantial in many of the smaller urban areas.

The housing recession is apparent in the latest mortgage rate release from the Federal Housing Finance Board. Nationwide, the effective mortgage rate has fallen by 0.41 percentage points during the past year. The average purchase price has fallen $3900. In Atlanta, the effective mortgage rate remains above the national rate and has fallen by only 0.37 percentage points. However, the average purchase price has fallen by $35,800. Some of this is caused by the reduction in high-priced homes that are selling; but **prices clearly have fallen for residential property in Georgia during the past year.**

Before a rebound in tax collections during April as refunds were slowed, tax collections had fallen to only 1.9% ahead of previous year levels. This reduction in refund activity will help to boost revenues this year, but at the expense of next year. Through the first ten months, revenues were 2.6% above previous year levels and remain below the 3.2% needed for this year's budget. Further cuts are likely, but the degree of slashing should be reduced by the ploy to slow refunds. **Next year, receipts should grow 5.5%, while gains slightly in excess of 8% currently are projected for the year after that.** (This will fall short of the 6.1% budget projections, but actual expenditures are only expected to grow 3% while the remainder is for the stabilization of funds. For that reason, no further serious budgetary problems are expected despite the sluggish projections of revenue growth.)

Sales tax receipts reached their low point in March with an 8.8% plunge from previous year levels. For the quarter, receipts fell 2.7%. This compares with gains of 2.2%, 6.3%, and 14.7% in previous quarters. In April, sales tax receipts actually fell below last year levels for the fiscal year to date. Sales tax receipts for all state and local governments rose 2.7% during the winter. This clearly was a slowing from gains of 6.7%, 6.3%, 4.1% and 6.9% in previous quarters. Nevertheless, the nation's consumers clearly spent more than spending in Georgia. If the selected food exemptions had been allowed to occur, this state would be in a substantial deficit at the present time.

Strong refunds in March caused personal income tax collections to fall 1.1% for the quarter. However, a slowing in refund activity caused a 20%

rebound in collections for April. No further surge in collections is likely for the remainder of this fiscal year. For the first ten months of the fiscal year, collections are running slightly ahead of projected income gains, which is about where they should be. Modest growth in collections is likely for the remaining two months of the fiscal year. In previous quarters, collections rose 6.3%, 4.4%, 1.7%, and 3.3% respectively. All state and local governments showed gains of 3.8% for the winter. In prior quarter their gains were 3.5%, 4.6% and 2.1%. Thus, Georgia's collections trailed those of other states here as well.

Corporate tax collections bucked the trend by rising 4% in the winter. In March, collections were down a small 0.9%. Given the apparent deterioration in productivity, this profit performance is surprising. In previous quarter, corporate tax accruals fell 15.7%, 2.6%, 4.9% and 25%. All state and local governments showed estimated gains of 13.5%. This compares with surprisingly large gains of 16.2%, and 16% in previous quarters. Thus, even in the sector where gains are occurring, the gains trail those recorded elsewhere in the country.

Georgia's weakness remains apparent in its tax collections. Sales and personal income tax collections are down while corporate gains trail those registered nationwide. Tax collections will fall short of budget needs but only by about $30 million. Shifting refund activity could even diminish this but at the expense of next year's collections.

GEORGIA OUTLOOK

Despite a drop in unemployment from 7.0% to 5.6%, **no evidence of an upturn in Georgia's economy was apparent from the employment reports.** Manufacturing lost 9000 jobs during the winter after seasonal adjustment. Half of them were lost in March alone. However, the fall in construction materials was especially sharp because construction activity fell at an unusually large rate. If falling interest rates stabilize construction during the second half of this year, as expected, then construction materials should reach bottom before the end of this year. Then a modest employment recovery is likely next year in lumber, furniture and the stone, clay industries.

Typically, the machinery industries continue to fall until well after a recovery has begun. Their recovery may be delayed until early next year. Nevertheless, some rebound is expected in 1992. The metals industries probably will increase soon after the national economy recovers. An overhang of steel from a threatened strike that never materialized should be exhausted by the fall. Also, the temporary layoffs at auto plants should diminish next year as a recovery finally begins the replacement of autos and trucks. Some additions to Lockheed as their aeronautics division completes its transfer to Atlanta, and as engineers begin to develop the new fighter plane to be built in Atlanta, also assures growth next year.

In nondurables, the weakness has been in textiles, apparel, printing and production of rubber products. The latter should improve with the prospects of auto sales late this year. Printing traditionally lags recovery and may remain sluggish in 1992, while apparel's rate of decline may slow during a national recovery. The weakness in textiles partially reflects import penetration, which a strong dollar has merely exacerbated. However, the carpet industry finally has turned down, and probably will be slow to rebound following the expected upturn in housing.

Thus, manufacturing activity should gradually improve with only apparel showing further employment declines in 1992. However, this is based upon a projected recovery in the national economy and is not apparent from our indices at this time. Therefore, some delay in the recovery, resulting in weaker employment patterns for 1991 cannot be ruled out.

Economic conditions clearly are slowing construction. Statewide, housing permits fell 21% last year and were declining at a 36% annual rate in the fourth quarter. A wet winter has further compounded housing sluggishness. Similarly, the temporary upturn in nonresidential construction contracts faded late in the year. This suggests that **construction will continue falling much of this year.** However, some bounce from the disruptions of the winter weather should prevent employment from falling substantially below current levels.

Despite slight gains in real taxable sales in 1990, wholesale and retail trade should experience substantial declines in activity during 1991. **The slump in first quarter sales implied by the sales tax collections show that weakness intensified.** Inventory liquidations also will contain wholesale activity. A projected rebound in sales should permit modest recovery in retail trade during the Christmas season and in 1992.

Of course, transportation services continue to reflect the loss of Eastern airlines. **A decision by UPS to move its headquarters to Atlanta will begin the rebuilding process.** However, concourse C currently is projected to remain idle through 1992. The restructuring of Contel following the GTE purchase is responsible for most of the decline in communications employment. No further restructuring nor transfers into the area by ATT or MCI are expected.

Some bank restructurings continued to hold down finance employment in the first quarter. However, those adjustments are nearing completion while the rebound in stock values suggests that brokerage services may expand slightly. **Insurance remains healthy but the real estate market is finishing its slowest period since 1975.** Lower interest rates should stimulate activity, leading to modest gains there next year.

Unfortunately, the service sector has slowed significantly despite unabated gains in health services. Business services, especially temporaries, fell so sharply in the winter that employment gains for the year are unlikely. However, an uptick in employment during March may indicate that the economy is turning as employers use temporaries and hire consultants to exploit improving conditions. Despite the transfer of Holiday Inns to Atlanta, the lodging industry continues to reel from overexpansion and reduced traffic. Further adjustments are likely this year before slow traffic expansion will permit further gains next year.

In the next five years, defense budgets after inflation are projected to shrink by 25%. The substantial amount of defense-related activity in Georgia exposes that part of state activity to little growth or decline during that period. Already Moody air force base in Lowndes County has been slated for closing. Some redirection of activity currently is adding to activity at Warner-Robbins, but some erosion in total effort is likely in the next few years. Some of the rapid deployment activities housed at Fort Benning and Fort Stewart are likely to remain near current strength while the communications at Fort Gordon also should survive any budget cuts. Nevertheless, a reduction in federal defense activity should be projected for the state.

Budgetary restraints have stopped the rapid expansion of state and local government payrolls. Slower migration will mean less growth in school personnel. State budgets will not permit significant gains in payrolls. While some growth will continue in the government budgets, substantial slowing from previous years is likely.

The weakness in goods production, distribution, and transportation are enough to offset slowing employment gains in services and government, and some modest gains in finance. Therefore, **Georgia should suffer a 0.7% decline in payroll employment for 1991.** A modest recovery is expected in 1992. Unemployment should rise by more than a percentage point to 6.6% this year and should remain near those levels next year. These employment changes are virtually identical to the changes expected for the nation. However, **our indicators suggest that actual production will fall even more sharply here, leading to less productivity improvement than in the nation.** This should lead to continued sluggish growth after the rebound has become well established.

Weakness in employment clearly is reflected in our projections of changes in personal income and population for the next two years. For the third consecutive year, **personal income will grow more slowly in Georgia than nationwide,** before a modest acceleration in Georgia's economy begins in 1992. Farm income should rebound from the problems in 1990, although prices will not be strong for most grains. Surprisingly, the most profitable crop this year could be cotton, although the drought in California may improve the earning potential for Georgia nuts. Also aiding personal income will be the surge in unemployment compensation that current economic weakness requires. Even with a 43% gain in that source of income, personal income in Georgia should grow only 4.1% this year. A rebound to a 6.4% gain is likely next year.

Weak employment accounts for most of the

slowing in income. However, the Gulf crisis clearly is evident in the decline of military payrolls in 1991 followed by a surge in 1992. **The largest earnings decline is projected for construction,** but durable manufacturing and retail trade earnings also should be lower this year.

The good news is that substantial excesses in construction, retailing and some manufacturing activity are being squeezed out by the recession. By summer, enough excess removal may have been accomplished to permit a rebound in economic activity, especially if a national recovery already has begun. Therefore, **the economic recovery in Georgia is on the horizon**. Unfortunately, no clear signs of its presence have been spotted yet.

****

THE RECOVERY DAWN IS BEGINNING TO BREAK OVER ATLANTA

RECENT CONDITIONS AND OUTLOOK

Eastern's demise in January appears to have been the last bad news of this recession. Since that time, Lockheed won the competition to build a new fighter that will be assembled at its Marietta plant. Holiday Inn has decided to move its national headquarters to Atlanta to better coordinate with the global operations of its British owners. United Parcel has decided to move its national headquarters from Greenwich to Atlanta. Another company reportedly is shopping for several hundred thousand square feet for its operations, and even the Girl Scouts are taking a look at Atlanta.

Combined, **these positive developments do not make up for the loss of Eastern.** Also, the prospects for another hub in Atlanta anytime soon are diminishing. To be sure, several airlines will increase their use of feeder lines to their complexes at other cities. Also, Delta is expanding. But the number of passengers neither originating nor ending in Atlanta has substantially dropped. Thus, the economic impact of the airport upon Atlanta clearly has declined. Until that problem can be remedied, Atlanta's return to its days of rapid expansion are not likely. **But the Atlanta economy is beginning to recover.**

Manufacturing and construction are generating most of Atlanta's weakness at this time. Although they are small, **the building materials industries will suffer double digit employment declines win 1991.** The dip in lumber prices may be ending, as activity appears to have increased in March. No such March increase is apparent for furniture and the stone, clay group. Furniture may rebound following stability in the local housing market, but continued moderation in highway construction could further weaken employment in stone processing. Metal employment also is soft, although a rebound nationwide should strengthen activity here. Of course, the sluggishness in auto assembly is apparent in transportation equipment employment. Lockheed's hiring of designers and engineers and the transfer of the remaining employees from Burbank to Marietta should reverse that sector. Any loss of Doraville employment probably will not occur before 1993. Also, nonelectrical machinery has been able to buck the national tide because of the new Japanese facilities and actually show a slight gain. **Further gains are expected in the machinery sector in 1992.**

Food processing and paper production are gaining in Atlanta, as they have throughout the state. Textiles, apparel and printing continue to sag, although some uniform production has recently injected some strength into the apparel industry. Unfortunately, the military demand for uniforms will not continue to expand. On the other hand, the nondurables sector is not that important to Atlanta. On balance, manufacturing continues to erode in Atlanta, but the recessionary declines should be over in the summer. **Some moderate gains in manufacturing employment are then likely in 1992.**

Weakness in construction has intensified dramatically. Some of this decline is because of weather conditions, but little new commercial activity is in the pipeline once the C&S tower, Portman tower, gift Mart, Concourse expansion, and MCI building are completed. United Parcel and Holiday Inn may eventually choose their own buildings on the perimeter, but their subsequent needs should not generate a renewed surge in activity. Some of the downtown buildings are rapidly emptying, including the First Atlanta tower, the Equitable building and the Hurt Building. With most of the lawyers and accountants already settled in new surroundings, little demand currently is

apparent for this space. The closing of Rich's downtown department store in July will further diminish downtown attractiveness. **Indeed, one of the development challenges the city faces is to replenish the activity that once was downtown.**

Industrial vacancy rates have continued to rise in the city and now total 9.2% of large space according to Coldwell Banker. Nationwide, vacancies rose to 7.4%. Although rates are higher in some cities, this rapid surge in vacancies clearly indicates that even current subdued activity is too rapid for current leasing.

According to Coldwell Banker, **downtown vacancy rates for commercial property now exceeds national norms at 17.9%**. Suburban vacancies also rose to 19.2%, but remains below the 20.4% recorded nationally. This occurred despite an addition of only 3.2 million sq. ft. according to Carter and Associates. Average rental rates for existing class A space is $20.77 while class B rents are $13.20. **Rental rates at office parks, where no projects currently are under construction, has fallen to $9.09, the lowest rate since the early 1980s.** Although 4.8 million sq. ft. are under construction with a projected rental of $27.43, those gains will not be realized. Only an additional one million sq. ft. is projected for the next year. Thus, construction activity will continue to slump, but such a small rate of activity will certainly cut into vacancies if absorption rates remain in the 2.5 million range forecasted by Carter and Associates.

With no commercial and industrial gains expected in construction anytime soon, any gains in construction employment must come for special projects, e.g. the Olympics or housing. After the Dome's completion, the next wave of special projects will not surface until Olympics construction begins in 1993. **Even Marta, airport and highway construction are not growing,** although the international concourse at the airport may add activity late next year.

Because of weak employment opportunities and rising unemployment, Atlanta's population gains have slowed sharply in the past few years. Less than 25,000 new households were formed in Atlanta in 1989 and that number is expected to fall to nearly 21,000 by 1992. Of course, some homes will be abandoned or otherwise removed from the housing stock. Even so, housing potential probably will fall to a low of less than 22,000 in 1992 before some improvement is projected. Current housing construction is below potential, largely because of a total collapse of multifamily construction during the winter. **Some recovery in the rental market is expected**, especially as vacancy rates are now beginning to fall toward 8 percent on the northside. (A decline to 6 percent still may be needed before rent enhancements again will encourage new development.)

As mortgage rates continue to fall toward 9 percent, increased housing sales and construction are expected. The 13.5% decline from previous year levels in single family permits during the winter will fall to an average decline of only 7.6% for the year. **Some growth in single family activity may develop in 1992.** Higher activity in 1991 than in 1990 for single family activity already is projected for Gwinnett, Paulding, Butts and Barrow Counties. By 1992, only Dekalb, which is running out of development space, will continue to trail previous year levels. Thus, housing should gradually improve from current levels, causing construction to slowly rebound.

Eastern's collapse has not yet been overcome by another hub airline or by the addition of activities by UPS. **A concourse, a maintenance facility, and a fleet of planes remain idle.** Some growth in routes by Delta and some of the smaller airlines will gradually increase activity, but transportation services will remain below last year's levels beyond 1992. The recession also is impacting trucking and even the rail industry. Indeed, **our 4.3% decline in transportation service employment for 1991 still may prove to be optimistic.** Now that the Contel situation has clarified, slow growth is expected in Atlanta's large communications industry. MCI still may increase operations here while Contel communications has established Atlanta as its headquarters. The heady growth of recent years may not return soon, but modest growth certainly appears likely.

Of course, only a 0.7% increase in taxable sales during the fourth quarter suggests that the **volume of trade activity has declined by nearly 2% in the metro area.** As with the remainder of Georgia, about a percentage point of this weakness was because of a reluctance to spend while the remainder reflects slower paycheck growth. The convention business also suffered substantial

weakness during the winter, as wartime jitters sharply reduced attendance at the shows. (One estimate showed a decline of 25%.) Therefore, **a second consecutive year of declines in trade employment appear to be in store for Atlanta**. By length of weakness, this exceeds the 1974 slide in retail activity, although that slide clearly was more dramatic than now. Recovery should appear early next year, as improving job opportunities begin to restore spending activity.

The financial sector is not as weak in Atlanta as nationwide. Some banks continue to trim employees, but only a few smaller institutions have any serious capital adequacy problems. The brokerage community is beginning to expand in response to the more favorable market conditions. **Only the real estate sector in finance continues to languish.**

The movement of Holiday Inn should aid lodging employment. Also, as the World Congress Center expansion is completed, several new hotels may begin construction. However, occupancy rates dipped below 60% during the winter months. Health services continue to expand in undiminished fashion while business services have again perked up. Temporary services in that category accounts for much of the gain and may reflect improving conditions that are not yet strong enough to justify new hiring.

Of course, without a census, federal government employment will be down this year. Also, cutbacks in defense will adversely impact the employment base in Atlanta, but only by a small amount. **More significant is the budget crisis that will substantially reduce pay growth for state employees** and will sharply slow their growth. Because of a surge of students at state campuses, some growth will continue in state education, but not at the rates of former years. The property tax revolt may prevent business as usual at the local level as well. The budgetary restraint that may be generated by this revolt has not been fully incorporated in the analysis.

In Georgia metropolitan areas, only Macon recorded lower taxable sales than Atlanta during the fourth quarter. State tax collections and the softness in convention business suggests that conditions deteriorated over the winter. **The strongest sales growth was in Gwinnett,** where sales were up only 4.9% from the previous year. In addition to Gwinnett, Walton, Fulton, Rockdale and Spalding were able to generate more than a percentage point gain in sales. Weakness was especially substantial in Paulding (-8.5%), while activity also fell sharply in Fayette (-5.7%), Douglas (-4.5%), Clayton (-3.4%) and Forsyth (-3.3%). Of 29 metropolitan areas in the South, Atlanta ranked 19th in department store sales during the second half of 1990.

Because of the weakness in manufacturing, construction, transportation services, federal government, and trade; **employment in Atlanta will decline 6700 during 1991**. This is slightly more than expected three months ago, because the loss of Eastern is expected to be more permanent, and the convention business has been more slow than originally expected. To be sure, the Lockheed aware of the fighter to be assembled at Marietta, the move of Holiday Inn, and the transfer of United Parcel's headquarters to Atlanta has changed the direction of activity. Atlanta now is heading upward and should generate a satisfying 34,400 jobs in 1992. But the ditch from which we are climbing is even deeper than originally expected.

Unemployment rates will rise to 5.7% this year and remain at that level next year. However, the real damage to the Atlanta economy is the absence of new migrants because of reduced employment opportunities. As recently as 1988, Atlanta's population was increasing 3% per year. Growth has now slowed to 1.7% per year and should fall to 1.4% by 1992. This means that normal housing activity will be near current lows during the next rebound.

Finally, the latest data on Atlanta's personal income for 1989 shows little surprise. Our estimates for 1990 show a slight acceleration of personal income even as Atlanta was heading toward recession. This was caused by the return to a normal schedule for Eastern airlines and continuation of strong gains in the service sector. Obviously, the demise of Eastern will have a jarring effect upon 1991 income. **By 1992, however, Atlanta will be leading Georgia out of recession.** Income gains should exceed 7% and the area will begin looking forward to the surge in construction that the Olympics will require in 1993 and beyond. Therefore, the recession soon will be a memory, but it is a nightmare for too many people.

SUMMARY OF ATLANTA OUTLOOK

Atlanta suffered its first real recession since 1974 in 1990 and 1991. The recession was construction and manufacturing-based until late in the year. Then, a collapse of consumer spending associated with the Persian Gulf conflict, followed by reduced convention attendance, and the collapse of Eastern, meant that the decline would be more substantial than originally expected. Atlanta will lose 6700 jobs this year, which is an improvement from the 10 thousand jobs below last year that Atlanta recorded in March.

However, the recovery soon should begin. Good news has begun to replace bad news. Lockheed will assemble a plane in Marietta, bring 400 jobs before the end of this year and an additional 2000 jobs in a few years. Holiday Inn has chosen Atlanta for its national headquarters, probably bringing between 700 and 1000 jobs before the end of this year. United Parcel Services is moving its headquarters from Greenwich, Connecticut. Assuming those people can sell their homes in Connecticut, the current glut of nigh priced homes may quickly dissipate as they seek comparably priced property here to avoid capital gains taxes. Another 1000 jobs may be associated with this move. At least one other major firm is looking for an opportunity to locate to Atlanta before the end of this year.

The news would be even better if another airline hub entered Atlanta, but that seems increasingly unlikely. The most likely candidate, Northwest, simply cannot afford the dual leases at Memphis and Atlanta that would be required. As a result, the Hartsfield space will only slowly be occupied as other airlines gradually increase their flights from Atlanta to their hubs. Now that the second largest airline in Atlanta, Continental, only has 14 flights a day (excluding Delta's commuter operation), this gradual growth could be extended.

Frankly, recent news has been better than expected. **Moving headquarters to Atlanta will turn heads of other potential movers.** The psychological lift from these announcements should begin to stimulate increased sales and some risk-taking. Therefore, the small business that added 40,000 jobs to Atlanta last year will again begin to add jobs following the recession. With the Olympics beginning to add construction activity by 1993, a spurt of activity may be in store for Atlanta over the next several years. Job gains of 34,400 are projected for 1992, and that should stabilize real estate values locally. Although no recovery is in sight for Georgia, the state's development engine, Atlanta, once again appears to be getting up steam. **Atlanta's recession may well be over by summer.**

Table 1

Georgia Wage & Salary Employment (Seasonally Adjusted) for 1988-90 with Forecasts through 1992

Georgia State University
College of Business Administration
Economic Forecasting Center
May 1991

Description	Quarterly Seasonalized Data II90	III 90	IV90	I91	Mar(P)	Annual Percentage Change 89/88	90/89	91/90	92/91	Annual Average 1988	1989	1990	1991(F)	1992(F)
1. MANUFACTURING	562.9	558.2	551.4	542.4	537.9	-1.0	-1.6	-3.7	1.2	574.3	568.3	559.4	538.9	545.5
2. DURABLE GOODS	214.3	211.5	207.2	200.6	198.3	-2.5	-3.4	-6.3	2.0	225.1	219.3	211.9	198.6	202.6
3. LUMBER AND WOOD	32.2	31.8	31.0	29.2	28.3	-4.9	-3.2	-10.5	1.4	34.6	32.9	31.9	28.5	28.9
4. FURNITURE AND FIXTURES	10.0	9.9	9.2	8.8	8.7	-3.2	-9.2	-11.9	2.3	11.2	10.9	9.9	8.7	8.9
5. STONE, CLAY, AND GLASS	18.5	18.4	18.2	17.9	17.5	-6.0	-4.4	-5.4	0.0	20.6	19.4	18.5	17.5	17.5
6. PRIMARY METAL INDUSTRY	15.2	15.0	14.3	14.0	13.9	-2.4	-1.5	-8.2	2.9	15.5	15.2	14.9	13.7	14.1
7. FABRICATED METAL	21.0	20.5	20.4	19.9	19.8	1.5	-2.8	-4.8	2.0	21.0	21.3	20.7	19.7	20.1
8. MACHINERY EXC ELECTRIC	28.8	28.3	28.0	28.0	27.8	6.5	-0.3	-2.5	0.7	26.8	28.6	28.5	27.8	28.0
9. ELECTRIC & ELECTRONIC	32.7	31.9	31.8	31.2	30.9	3.2	-0.3	-4.0	1.6	31.3	32.3	32.2	30.9	31.4
10. TRANSPORTATION EQUIP	40.4	39.9	38.6	36.3	35.8	-12.3	-8.6	-8.9	4.7	49.5	43.4	39.7	36.2	37.9
11. OTHER DURABLE GOODS	15.5	15.8	15.8	15.5	15.6	6.6	1.0	-0.2	1.3	14.5	15.5	15.6	15.6	15.8
12. NONDURABLE GOODS	348.5	346.8	344.3	341.8	339.6	-0.1	-0.4	-2.1	0.8	349.3	349.0	347.5	340.3	342.9
13. FOOD AND KINDRED	61.2	61.5	62.1	63.3	63.1	1.5	1.3	2.9	2.8	59.7	60.6	61.4	63.2	65.0
14. TEXTILE MILL PRODUCTS	111.4	110.6	108.6	106.2	106.5	1.1	-0.4	-3.7	0.5	109.7	110.9	110.5	106.4	106.9
15. APPAREL & TEXTILE	61.6	60.4	59.9	59.6	58.5	-4.2	-4.6	-5.2	-1.5	67.1	64.3	61.4	58.2	57.3
16. PAPER & ALLIED PRODUCT	33.6	33.5	33.9	33.8	33.7	5.0	1.8	0.3	1.2	31.5	33.1	33.7	33.8	34.2
17. PRINTING & PUBLISHING	38.3	38.4	38.0	37.4	36.8	-2.3	1.2	-1.9	0.3	38.7	37.8	38.2	37.5	37.6
18. CHEMICALS & ALLIED	19.8	19.6	19.6	19.7	19.7	0.6	1.7	0.0	1.5	19.3	19.4	19.7	19.7	20.0
19. OTHER NONDURABLE GOODS	22.6	22.8	22.2	21.7	21.3	-1.5	-1.6	-4.8	1.9	23.3	23.0	22.6	21.5	21.9
20. TOTAL NONMANUFACTURING	2436.0	2446.1	2445.4	2433.9	2425.4	3.1	2.7	-0.1	1.9	2301.5	2372.7	2436.1	2434.2	2480.5
21. MINING	8.8	8.7	8.7	8.5	8.5	-0.9	-0.6	-2.6	0.0	8.9	8.8	8.7	8.5	8.5
22. CONSTRUCTION	148.4	148.6	144.5	138.4	135.2	-2.4	0.7	-8.0	0.8	149.9	146.3	147.4	135.6	136.7
23. TRANSP, COMM & PUB UT	198.1	199.3	198.6	194.8	192.5	3.5	4.9	-2.5	1.7	182.3	188.6	197.8	192.8	196.0
24. TRANSPORTATION	117.8	118.2	117.7	115.1	112.8	1.2	4.5	-3.9	1.7	111.1	112.4	117.4	112.9	114.8
25. COMMUNICATION	52.3	53.3	53.0	51.6	51.6	11.1	7.0	-1.3	2.1	44.2	49.1	52.5	51.8	52.9
26. UTILTIES	28.0	27.8	28.0	28.1	28.1	0.4	2.8	0.7	0.7	27.0	27.2	27.9	28.1	28.3
27. WHOLESALE & RETAIL TRADE	745.6	747.2	745.2	741.6	735.8	1.4	0.4	-0.9	1.5	732.1	742.0	745.1	738.5	749.9
28. WHOLESALE TRADE	214.7	214.4	213.9	214.7	213.4	0.5	-0.2	-0.1	1.1	213.3	214.5	214.0	213.8	216.2
29. DURABLE GOODS	135.2	134.9	135.4	135.3	134.9	-1.3	-1.5	-0.0	1.3	138.9	137.1	135.0	135.0	136.8
30. NONDURABLE GOODS	79.5	79.5	78.5	79.3	78.5	4.0	2.0	-0.2	0.8	74.4	77.4	78.9	78.8	79.4
31. RETAIL TRADE	530.9	532.8	531.3	526.9	522.4	1.7	0.7	-1.2	1.7	518.8	527.5	531.1	524.7	533.7
32. FINANCE, INSUR & RL EST	162.7	162.5	163.1	163.3	163.8	1.7	-0.7	0.7	1.7	161.2	164.0	162.9	164.0	166.8
33. FINANCE	74.9	74.5	74.4	74.1	74.6	1.4	-3.2	-0.3	0.8	76.2	77.3	74.8	74.6	75.2
34. INSURANCE	55.4	56.3	56.9	58.0	58.2	2.6	3.3	3.5	2.8	52.9	54.2	56.0	58.0	59.6
35. REAL ESTATE	32.4	31.7	31.8	31.1	31.1	1.3	-1.3	-2.0	1.9	32.0	32.5	32.0	31.4	32.0
36. SERVICES	637.4	641.7	650.2	650.2	652.2	6.6	4.8	2.1	2.8	573.0	610.9	640.5	653.8	672.4
37. HOTELS & OTHER LODGING	42.3	42.2	42.1	41.7	41.7	4.1	1.2	-1.1	1.4	40.1	41.8	42.3	41.8	42.4
38. BUSINESS SERVICES	148.3	147.1	148.6	147.7	149.7	9.1	4.9	-0.6	2.2	129.4	141.2	148.1	147.3	150.5
39. HEALTH SERVICES	153.7	155.6	158.3	161.2	162.1	5.6	6.1	5.7	5.3	138.3	145.9	154.8	163.7	172.4
40. GOVERNMENT	535.0	538.1	535.1	537.2	537.4	3.6	4.2	1.4	1.7	494.2	512.1	533.7	541.0	550.2
41. FEDERAL GOVERNMENT	106.2	102.7	101.5	100.5	100.5	1.7	2.1	-2.6	-0.1	99.6	101.2	103.3	100.6	100.5
42. DEFENSE	36.3	35.9	35.2	35.0	35.1	2.5	-2.4	-2.0	0.3	36.0	36.9	36.0	35.3	35.4
43. OTHER FEDERAL	69.9	66.9	66.3	65.6	65.4	1.2	4.7	-2.9	-0.3	63.5	64.3	67.3	65.3	65.1
44. STATE & LOCAL GOVERNMENT	428.8	435.3	433.6	436.7	436.9	4.1	4.7	2.3	2.1	394.6	410.9	430.4	440.4	449.7
45. STATE GOVERNMENT	130.9	132.4	132.9	131.8	131.7	6.5	5.6	0.5	0.9	116.8	124.4	131.4	132.1	133.3
46. STATE EDUCATION	51.7	52.9	53.8	53.7	53.7	6.2	5.4	2.7	1.1	46.9	49.8	52.5	53.9	54.5
47. OTHER STATE GOVT	79.2	79.5	79.0	78.1	78.0	6.6	5.8	-0.9	0.8	70.0	74.6	78.9	78.2	78.8
48. LOCAL GOVERNMENT	298.0	303.0	300.7	304.9	305.2	3.2	4.4	3.1	2.6	277.8	286.5	299.0	308.3	316.4
49. LOCAL EDUCATION	157.1	161.3	156.6	157.7	157.9	3.8	3.7	1.3	2.0	146.3	151.9	157.5	159.6	162.8
50. OTHER LOCAL GOVT	140.9	141.6	144.1	147.3	147.3	2.4	5.1	5.1	3.3	131.5	134.7	141.5	148.7	153.6
51. TOTAL NONAG. PAYROLL	2998.9	3004.4	2996.9	2976.4	2963.3	2.3	1.9	-0.7	1.8	2875.8	2941.0	2995.5	2973.1	3026.0
52. CIVILIAN UNEMPL. RATE	5.1	5.1	5.9	6.4	5.6					5.9	5.6	5.2	6.6	6.6

Source : Data (in 1000's) seasonally adjusted by Forecasting Center.
March(P) is seasonally adjusted preliminary March employment. 1991(F), and 1992(F) are forecasted values.

Table 2

Georgia Personal Income for 1987-90 with Forecasts through 1992

Georgia State University
College of Business Administration
Economic Forecasting Center
May 1991

Description Quarterly Personal Income	Quarterly Data I90	 II90	 III90	 IV90	Annual percent change 88/87	 89/88	 90/89	 91/90(F)	 92/91(F)	Annual Average 1988	 1989	 1990	 1991(F)	 1992(F)
By Place of Residence														
1. Total Personal Income	107768	109343	110828	111120	8.6	6.7	6.2	4.1	6.4	96822	103339	109765	114286	121545
2. Nonfarm Personal Income	106365	108040	109660	110190	8.5	6.7	6.5	4.1	6.3	95536	101962	108564	112974	120078
3. Farm Personal Income	1403	1303	1168	930	12.2	7.0	-12.7	9.2	11.8	1287	1377	1201	1312	1467
Derivation of Income														
4. Total Earnings	83088	84355	85474	85227	8.2	5.3	5.9	3.1	6.0	75865	79861	84536	87129	92322
5. less: SSI Contribution	5066	5083	5182	5185	11.9	8.4	6.6	4.5	6.7	4439	4812	5129	5360	5721
6. plus: Residence Adj	-59	-57	-55	-48	-31.8	-59.1	-7.2	-34.2	-2.8	-144	-59	-55	-36	-35
7. equals: Net Earnings	77963	79215	80237	79995	8.1	5.2	5.8	3.0	5.9	71282	74991	79353	81733	86566
8. plus: Div, Int, Rent	15476	15681	15932	16041	11.3	14.6	5.7	4.4	7.0	13028	14931	15783	16480	17634
9. plus: Transfer Paymnts	14328	14447	14659	15085	8.5	7.2	9.0	9.9	7.9	12513	13418	14630	16073	17345
10. State UI Benefits	277	285	294	390	-1.2	8.9	26.1	42.9	3.8	227	247	312	445	462
11. Tnsfrs less SUIB	14051	14162	14365	14695	8.7	7.2	8.7	9.1	8.0	12286	13171	14318	15628	16883
By Place of Work														
12. Components of Earnings														
13. Wages and Salaries	67883	69018	70090	69979	7.8	5.0	5.9	2.8	5.8	62281	65383	69243	71180	75307
14. Other Labor Income	6449	6534	6624	6696	7.9	6.2	7.5	4.6	5.9	5756	6114	6576	6881	7284
15. Proprietors Income	8756	8804	8761	8552	11.1	6.8	4.2	4.0	7.3	7828	8363	8718	9068	9731
16. Farm	1246	1144	1006	766	14.0	7.7	-14.9	9.8	12.3	1135	1223	1041	1142	1283
17. Nonfarm	7509	7660	7755	7786	10.6	6.7	7.5	3.2	6.6	6693	7141	7678	7926	8448
Earnings By Industry														
18. Farm	1403	1303	1168	930	12.2	7.0	-12.7	9.2	11.8	1287	1377	1201	1312	1467
19. Nonfarm	81685	83052	84306	84297	8.1	5.2	6.2	3.0	5.9	74578	78484	83335	85817	90855
20. Private	67780	68909	69951	69978	8.1	4.7	6.0	2.7	6.1	62290	65225	69155	71005	75334
21. Ag Svc, Fish, Etc	357	358	340	333	8.6	3.4	2.7	-1.2	5.5	327	338	347	343	362
22. Mining	351	353	369	381	15.3	1.9	7.3	5.1	5.0	333	339	364	382	401
23. Construction	4915	5076	4981	4773	4.3	-1.9	4.8	-7.4	5.8	4798	4709	4936	4569	4836
24. Manufacturing	14878	15076	15298	15122	4.2	1.4	3.3	-0.3	5.5	14420	14618	15094	15052	15886
25. Nondurable Goods	8596	8564	8761	8776	4.7	3.4	4.4	2.0	4.8	8036	8310	8674	8848	9272
26. Durable Goods	6282	6512	6537	6346	3.5	-1.2	1.8	-3.4	6.6	6384	6309	6419	6204	6614
27. Trans and Pub Utils	7630	7744	7856	7844	5.6	2.1	10.4	0.2	6.7	6897	7038	7769	7782	8307
28. Wholesale Trade	7532	7544	7569	7543	12.4	7.2	0.2	5.1	6.2	7030	7535	7547	7929	8419
29. Retail Trade	7994	8094	7996	7942	8.2	3.6	1.8	-0.1	6.3	7596	7867	8007	8000	8504
30. Fin, Ins, and RE	5391	5518	5648	5717	6.0	3.4	5.4	5.3	7.3	5105	5281	5569	5863	6292
31. Services	18730	19145	19895	20324	13.2	10.9	11.6	8.0	5.9	15786	17501	19524	21085	22327
32. Gvt and Gvt Entprs	13906	14143	14355	14319	8.0	7.9	7.0	4.5	4.8	12288	13259	14181	14812	15521
33. Federal, Civilian	3138	3164	3150	3186	8.4	5.6	4.8	2.9	0.9	2853	3014	3160	3252	3281
34. Military	1716	1721	1724	1492	3.1	3.1	0.6	-2.5	13.6	1605	1654	1663	1621	1841
35. State and Local	9051	9258	9481	9641	8.9	9.7	8.9	6.2	4.6	7830	8591	9358	9939	10399
36. % of US Nonfarm	2.37	2.37	2.37	2.36						2.39	2.37	2.36	2.35	2.37
37. Population			-		1.8	1.2	1.3	1.2	1.0	6339	6415	6499	6579	6647

Source : Bureau of Economic Analysis
1991(F) and 1992(F) are forecasted values.

Table 3

Atlanta Wage & Salary Employment (Seasonally Adjusted) for 1988-90 with Forecasts through 1992

Georgia State University
College of Business Administration
Economic Forcasting Center
May 1991

Description	Quarterly Seasonalized Data II 90	III 90	IV 90	I91	Mar(P)	Annual Percentage Change 89/88	90/89	91/90	92/91	Annual Average 1988	1989	1990	1991(F)	1992(F)
1. MANUFACTURING	175.4	173.3	170.7	167.3	166.3	-3.5	-2.6	-4.4	2.1	184.7	178.3	173.7	166.1	169.6
2. DURABLE GOODS	86.1	84.3	82.1	79.0	78.2	-7.2	-4.4	-7.8	2.9	95.5	88.6	84.7	78.1	80.4
3. LUMBER AND WOOD	3.4	3.4	3.3	3.1	3.5	-22.1	-11.0	-12.4	3.3	4.9	3.8	3.4	3.0	3.1
4. FURNITURE AND FIXTURES	3.5	3.4	3.2	3.0	2.9	-7.4	-9.4	-16.5	3.4	4.1	3.8	3.5	2.9	3.0
5. STONE, CLAY, AND GLASS	7.9	7.8	7.8	7.7	7.4	-5.0	-8.9	-6.6	0.0	9.2	8.7	7.9	7.4	7.4
6. PRIMARY METAL INDUSTRY	6.5	6.4	6.3	6.2	6.0	0.6	-1.9	-5.5	4.9	6.5	6.6	6.5	6.1	6.4
7. FABRICATED METAL	9.3	9.2	9.1	8.8	8.8	-1.1	-2.4	-5.7	2.3	9.6	9.5	9.2	8.7	8.9
8. MACHINERY EXC ELECTRIC	11.0	11.0	11.1	11.1	11.1	7.4	3.1	2.3	3.6	9.9	10.6	11.0	11.2	11.6
9. ELECTRIC & ELECTRONIC	16.1	15.6	15.4	14.9	14.8	-1.0	0.6	-6.4	2.0	15.9	15.7	15.8	14.8	15.1
10. TRANSPORTATION EQUIP	20.4	19.9	18.2	17.0	16.2	-21.1	-12.9	-16.4	4.2	28.7	22.7	19.7	16.5	17.2
11. OTHER DURABLE GOODS	7.6	7.6	7.6	7.5	7.4	8.2	4.9	-1.3	2.7	6.7	7.2	7.6	7.5	7.7
12. NONDURABLE GOODS	89.3	88.9	88.5	88.2	88.1	0.5	-0.8	-1.1	1.4	89.2	89.7	88.9	88.0	89.2
13. FOOD AND KINDRED	19.1	19.5	19.9	20.3	20.4	-2.1	-2.4	3.6	3.0	20.3	19.9	19.4	20.1	20.7
14. TEXTILE MILL PRODUCTS	7.2	7.1	7.0	6.7	6.7	-0.2	-5.6	-4.9	1.5	7.6	7.6	7.1	6.8	6.9
15. APPAREL & TEXTILE	10.4	9.8	9.5	9.6	9.6	1.1	-5.7	-4.2	-2.1	10.5	10.6	10.0	9.6	9.4
16. PAPER & ALLIED PRODUCT	10.2	10.3	10.5	10.4	10.4	9.2	4.0	1.9	2.9	9.1	9.9	10.3	10.5	10.8
17. PRINTING & PUBLISHING	24.5	24.6	24.5	23.9	23.6	1.0	1.5	-3.2	0.4	23.9	24.1	24.5	23.7	23.8
18. CHEMICALS & ALLIED	9.7	9.5	9.3	9.4	9.3	2.3	0.5	-1.0	1.1	9.2	9.4	9.5	9.4	9.5
19. OTHER NONDURABLE GOODS	8.2	8.1	7.8	7.9	8.0	-5.7	-0.4	-2.4	2.5	8.6	8.1	8.1	7.9	8.1
20. TOTAL NONMANUFACTURING	1304.0	1319.7	1320.7	1302.8	1304.5	2.9	2.9	0.1	2.4	1236.4	1272.5	1309.1	1309.9	1340.8
21. MINING	1.2	1.2	1.2	1.1	1.1	-11.9	-7.7	-5.0	0.0	1.5	1.3	1.2	1.1	1.1
22. CONSTRUCTION	68.7	68.4	66.6	62.0	60.7	-4.2	-0.2	-9.8	0.7	71.1	68.1	67.9	61.3	61.7
23. TRANSP, COMM & PUB UT	128.5	129.8	129.7	126.0	124.9	1.0	5.9	-2.1	1.7	120.3	121.5	128.7	126.0	128.2
24. TRANSPORTATION	73.5	77.0	83.4	73.9	73.0	-4.6	6.0	-4.3	2.0	76.5	73.0	77.3	74.0	75.5
25. COMMUNICATION & UTILITY	55.0	52.8	46.4	52.1	51.9	10.9	5.8	1.2	1.3	43.8	48.6	51.4	52.0	52.7
26. WHOLESALE & RETAIL TRADE	404.5	405.9	403.7	401.5	397.7	1.5	-0.4	-0.9	1.9	399.7	405.7	404.2	400.4	408.1
27. WHOLESALE TRADE	138.2	138.9	139.0	140.1	139.2	0.9	-0.6	0.8	1.7	137.8	139.1	138.3	139.4	141.8
28. DURABLE GOODS	94.4	93.8	94.0	95.3	94.8	-0.4	-3.8	0.8	1.6	98.2	97.7	94.0	94.8	96.3
29. NONDURABLE GOODS	43.8	45.1	45.0	44.8	44.4	4.2	6.9	0.9	2.0	39.7	41.4	44.2	44.6	45.5
30. RETAIL TRADE	266.3	267.0	264.8	261.4	258.5	1.8	-0.2	-1.9	2.0	261.9	266.6	266.0	261.0	266.3
31. FINANCE, INSUR & RL EST	107.9	107.4	107.6	109.1	108.7	2.4	1.8	0.8	2.0	103.5	106.0	107.9	108.7	110.9
32. FINANCE	46.5	45.5	45.6	46.3	46.2	1.5	1.3	0.1	1.5	44.8	45.5	46.1	46.2	46.9
33. INSURANCE	38.8	39.9	40.1	40.5	40.9	3.1	3.4	3.3	3.2	36.9	38.1	39.4	40.7	42.0
34. REAL ESTATE	22.6	21.9	21.9	22.3	21.6	3.0	-0.0	-2.5	0.9	21.7	22.3	22.3	21.8	22.0
35. SERVICES	371.1	382.8	386.2	375.5	383.9	6.6	4.8	2.4	3.2	336.7	359.1	376.5	385.4	397.8
36. HOTELS & OTHER LODGING	23.5	23.4	23.3	23.8	23.6	0.2	-0.5	3.3	3.3	23.5	23.6	23.4	24.2	25.0
37. BUSINESS SERVICES	106.3	105.2	106.3	107.5	109.3	8.4	5.6	2.5	2.8	92.8	100.6	106.2	108.8	111.9
38. HEALTH SERVICES	70.1	70.5	71.0	71.9	72.3	5.9	5.6	5.4	4.3	62.7	66.4	70.1	73.9	77.1
39. GOVERNMENT	222.2	224.3	225.7	227.6	227.6	3.6	5.6	2.0	2.6	203.7	210.9	222.6	227.0	233.0
40. FEDERAL GOVERNMENT	46.1	45.1	45.1	44.4	44.3	0.4	3.6	-2.0	0.7	43.5	43.6	45.2	44.3	44.6
41. DEFENSE	5.7	5.7	5.5	5.5	5.5	1.4	-5.6	-4.4	-1.8	6.0	6.1	5.8	5.5	5.4
42. OTHER FEDERAL	40.4	39.4	39.6	38.8	38.7	0.2	5.1	-1.7	1.0	37.5	37.5	39.5	38.8	39.2
43. STATE & LOCAL GOVERNMENT	176.1	179.2	180.5	183.3	183.3	4.4	6.1	3.0	3.1	160.2	167.3	177.4	182.7	188.4
44. STATE GOVERNMENT	46.6	47.8	48.4	48.8	48.8	7.7	7.7	2.8	2.5	40.8	43.9	47.3	48.6	49.8
45. STATE EDUCATION	17.3	18.2	18.9	19.5	19.6	12.4	13.6	8.3	3.6	14.0	15.7	17.8	19.3	20.0
46. OTHER STATE GOVT	29.4	29.6	29.6	29.3	29.1	5.3	4.4	-0.5	1.7	26.8	28.2	29.5	29.3	29.8
47. LOCAL GOVERNMENT	129.4	131.3	132.1	134.5	134.3	3.3	5.5	3.1	3.4	119.4	123.4	130.1	134.1	138.6
48. LOCAL EDUCATION	64.1	65.7	65.1	65.6	65.8	4.1	5.2	2.6	2.6	58.8	61.2	64.4	66.1	67.8
49. OTHER LOCAL GOVT	65.4	65.5	67.2	68.8	68.5	2.5	5.7	3.5	4.1	60.6	62.2	65.7	68.0	70.8
50. TOTAL NONAG. PAYROLL	1479.4	1492.9	1491.4	1470.0	1470.8	2.1	2.2	-0.5	2.3	1421.2	1450.8	1482.7	1476.0	1510.4
51. CIVILIAN UNEMPL. RATE	4.7	4.8	5.3	5.8	5.6					5.2	5.2	5.2	5.7	5.7

Source : Data (in 1000's) seasonally adjusted by Forecasting Center.
Mar(P) is seasonally adjusted preliminary March employment. 1991(F), and 1992(F) are forecasted values.

Table 4

Atlanta Personal Income for 1985-89 with Forecasts through 1992

Georgia State University
College of Business Administration
Economic Forecasting Center
May 1991

Description Annual Personal Income	Annual Average 1986	1987	1988	1989	1990(F)	1991(F)	1992(F)	Annual Percentage Change 87/86	88/87	89/88	90/89(F)	91/90(F)	92/91(F)
By Place of Residence													
1. Total Personal Income	42124	46193	50408	53715	57355	59794	64095	9.7	9.1	6.6	6.8	4.3	7.2
2. Nonfarm Personal Income	41971	46065	50265	53549	57199	59631	63923	9.8	9.1	6.5	6.8	4.3	7.2
3. Farm Personal Income	153	128	143	166	156	163	172	-16.5	12.2	15.7	-5.9	4.5	5.5
Derivation of Income													
4. Total Earnings	35798	39503	43045	45156	48099	49763	53238	10.4	9.0	4.9	6.5	3.5	7.0
5. less: SSI Contribution	2060	2258	2539	2732	2919	3062	3291	9.6	12.4	7.6	6.8	4.9	7.5
6. plus: Residence Adj	-1038	-1179	-1273	-1206	-1215	-1184	-1213	13.6	7.9	-5.3	0.8	-2.6	2.4
7. equals: Net Earnings	32699	36066	39234	41218	43965	45517	48734	10.3	8.8	5.1	6.7	3.5	7.1
8. plus: Div, Int, Rent	5619	6042	6727	7709	8157	8532	9155	7.5	11.3	14.6	5.8	4.6	7.3
9. plus: Transfer Paymnts	3805	4085	4448	4788	5233	5746	6206	7.4	8.9	7.6	9.3	9.8	8.0
By Place of Work													
10. Components of Earnings													
11. Wages and Salaries	30082	33160	36094	37775	40184	41524	44494	10.2	8.8	4.7	6.4	3.3	7.2
12. Other Labor Income	2848	3116	3362	3536	3794	3972	4203	9.4	7.9	5.2	7.3	4.7	5.8
13. Proprietors Income	2868	3226	3589	3845	4121	4266	4542	12.5	11.2	7.1	7.2	3.5	6.5
14. Farm	144	118	134	156	145	151	159	-17.8	13.3	16.9	-7.3	4.1	5.3
15. Nonfarm	2724	3108	3455	3688	3976	4115	4383	14.1	11.2	6.7	7.8	3.5	6.5
Earnings By Industry													
16. Farm	153	128	143	166	156	163	172	-16.5	12.2	15.7	-5.9	4.5	5.5
17. Nonfarm	35645	39375	42902	44990	47943	49600	53066	10.5	9.0	4.9	6.6	3.5	7.0
18. Private	31352	34630	37697	39311	41761	43060	46221	10.5	8.9	4.3	6.2	3.1	7.3
19. Ag Svc, Fish, Etc	115	136	147	167	177	177	185	17.7	8.0	14.3	5.5	0.2	4.7
20. Mining	52	60	62	64	64	66	69	14.4	3.3	3.6	0.2	2.3	5.0
21. Construction	2540	2655	2804	2688	2793	2536	2680	4.5	5.6	-4.2	3.9	-9.2	5.7
22. Manufacturing	5322	5655	5842	5679	5809	5741	6112	6.3	3.3	-2.8	2.3	-1.2	6.5
23. Nondurable Goods	2228	2392	2585	2640	2746	2828	2981	7.4	8.1	2.1	4.0	3.0	5.4
24. Durable Goods	3095	3263	3256	3038	3063	2913	3131	5.4	-0.2	-6.7	0.8	-4.9	7.5
25. Trans and Pub Utils	4101	4586	4871	4983	5551	5584	5958	11.8	6.2	2.3	11.4	0.6	6.7
26. Wholesale Trade	4586	4954	5594	5967	5955	6300	6729	8.0	12.9	6.7	-0.2	5.8	6.8
27. Retail Trade	3692	4044	4374	4517	4557	4521	4824	9.5	8.2	3.3	0.9	-0.8	6.7
28. Fin, Ins, and RE	3021	3532	3810	3952	4264	4499	4841	16.9	7.9	3.7	7.9	5.5	7.6
29. Services	7921	9002	10172	11283	12592	13637	14823	13.7	13.0	10.9	11.6	8.3	8.7
30. Gvt and Gvt Entprs	4293	4745	5205	5678	6182	6539	6845	10.5	9.7	9.1	8.9	5.8	4.7
31. Federal, Civilian	1122	1218	1347	1428	1518	1571	1597	8.6	10.6	6.0	6.3	3.5	1.7
32. Military	260	274	284	294	300	303	320	5.7	3.6	3.3	2.1	1.0	5.8
33. State and Local	2912	3253	3573	3957	4365	4666	4927	11.7	9.9	10.7	10.3	6.9	5.6
34. % of GA Nonfarm	51.6	52.3	52.6	52.5	52.7	52.8	53.2						
35. Population	2569	2656	2737	2787	2834	2881	2922	3.4	3.0	1.8	1.7	1.7	1.4

Source : Bureau of Economic Analysis
1990(F), 1991(F) and 1992(F) are forecasted values.

TABLE 5

METRO ATLANTA HOUSING PERMITS
FOR 1988 THROUGH 1989 WITH FORECASTS THROUGH 1992

Georgia State University
College of Business Administration
Economic Forecasting Center
May 1991

COUNTY	II90		III90		IV90		I91		1988		1989		1990		1991(F)		1992(F)	
	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI
BARROW	87	0	48	0	52	0	49	0	253	10	222	48	242	0	250	0	250	10
BUTTS	24	4	31	0	19	0	14	0	128	6	103	0	97	4	100	0	100	0
CHEROKEE	286	0	245	1	197	6	264	8	1700	43	1136	17	1053	16	970	30	1020	30
CLAYTON	319	154	230	5	179	0	196	74	1475	1319	1102	1199	949	447	890	350	910	300
COBB	712	8	607	55	442	152	636	2	4231	1567	2958	1367	2530	285	2210	300	2380	310
COWETA	233	0	201	0	166	0	170	0	873	53	833	231	824	2	770	0	790	10
DEKALB	525	63	553	469	655	154	321	12	2940	4589	2280	2653	2285	1354	2090	700	2090	800
DOUGLAS	189	0	103	18	76	19	107	119	895	647	541	899	505	41	420	220	450	300
FAYETTE	241	6	167	0	174	2	176	0	1221	7	892	368	826	10	770	0	800	0
FORSYTH	216	0	156	0	130	0	113	0	826	4	748	7	678	0	610	0	620	0
FULTON	663	39	696	605	464	110	1307	22	3961	4978	3440	4347	3149	3013	2650	750	2770	800
GWINNETT	918	22	899	484	718	57	935	19	4551	1238	3851	437	3448	588	3510	330	3690	300
HENRY	305	52	263	14	193	128	266	8	1412	151	1083	210	1085	198	1000	100	930	180
NEWTON	192	0	132	0	105	0	125	0	449	80	532	194	558	80	540	0	560	0
PAULDING	277	0	243	0	178	0	207	0	893	2	689	80	917	0	920	0	970	0
ROCKDALE	202	0	188	4	86	0	103	2	743	116	567	1	631	4	580	10	600	10
SPALDING	72	2	63	4	27	16	51	0	321	304	308	36	239	26	180	0	190	10
WALTON	147	0	158	24	71	0	119	0	562	74	481	34	472	26	470	0	500	0
TOTAL: SINGLE & MULT	5608	350	4983	1683	3932	644	5159	266	27434	15188	21766	12128	20488	6094	18930	2790	19620	3060
% CHANGE FROM PREVIOUS QUARTER/YEAR	2.6	-87.7	-4.4	-50.5	-14.4	-79.2	-13.5	-92.2	-8.9	35.3	-20.7	-20.1	-5.9	-49.8	-7.6	-54.2	3.6	9.7
TOTAL PERMITS (SINGLE + MULTI)	5958		6666		4576		5425		42622		33894		26582		21720		22680	
% CHANGE IN TOTAL (SINGLE + MULTI)	-28.3		-22.6		-40.5		-42.2		3.1		-20.5		-21.6		-18.3		4.4	
ESTIMATED POTENTIAL ABSORPTION (000)									38.9		27.3		25.7		23.2		21.7	

Source : Homebuilders Association of Metro Atlanta
1991(F) and 1992(F) are forecasted values

Table 6

Five Year Employment Projections for Georgia

Georgia State University
College of Business Administration
Economic Forcasting Center
May 1991

Employment Component Description	1990 Actual	1995 Forecast	Percentage Change	Annual Rate	Previous Annual Rate
1. MANUFACTURING	559.4	564.7	1.0	0.2	0.5
2. DURABLE GOODS	211.9	216.1	2.0	0.4	1.3
3. LUMBER AND WOOD	31.9	31.5	-1.1	-0.2	-0.7
4. FURNITURE AND FIXTURES	9.9	9.8	-0.8	-0.2	0.0
5. STONE, CLAY, AND GLASS	18.5	18.6	0.5	0.1	-0.5
6. PRIMARY METAL INDUSTRY	14.9	15.2	1.8	0.4	1.3
7. FABRICATED METAL	20.7	21.5	3.9	0.8	3.2
8. MACHINERY EXC ELECTRIC	28.5	30.4	6.7	1.3	4.2
9. ELECTRIC & ELECTRONIC	32.2	33.8	5.0	1.0	2.9
10. TRANSPORTATION EQUIP	39.7	38.6	-2.8	-0.6	-0.3
11. OTHER DURABLE GOODS	15.6	16.7	6.9	1.3	0.6
12. NONDURABLE GOODS	347.5	348.6	0.3	0.1	0.0
13. FOOD AND KINDRED	61.4	69.6	13.4	2.5	1.1
14. TEXTILE MILL PRODUCTS	110.5	105.6	-4.4	-0.9	-1.0
15. APPAREL & TEXTILE	61.4	55.6	-9.4	-2.0	-1.8
16. PAPER & ALLIED PRODUCT	33.7	35.0	3.9	0.8	0.3
17. PRINTING & PUBLISHING	38.2	38.8	1.5	0.3	1.7
18. CHEMICALS & ALLIED	19.7	20.8	5.6	1.1	2.5
19. OTHER NONDURABLE GOODS	22.6	23.2	2.7	0.5	1.3
20. TOTAL NONMANUFACTURING	2436.1	2616.0	7.4	1.4	3.5
21. MINING	8.7	8.6	-1.4	-0.3	-0.2
22. CONSTRUCTION	147.4	150.6	2.2	0.4	2.9
23. TRANSP, COMM & PUB UT	197.8	201.8	2.0	0.4	2.5
24. TRANSPORTATION	117.4	118.3	0.7	0.1	N/A
25. COMMUNICATION	52.5	54.3	3.4	0.7	N/A
26. UTILITY	27.9	29.2	4.6	0.9	N/A
27. WHOLESALE & RETAIL TRADE	745.1	775.2	4.0	0.8	2.8
28. WHOLESALE TRADE	214.0	226.9	6.0	1.2	2.1
29. DURABLE GOODS	135.0	143.7	6.4	1.3	N/A
30. NONDURABLE GOODS	78.9	83.2	5.4	1.1	N/A
31. RETAIL TRADE	531.1	548.3	3.2	0.6	3.1
32. FINANCE, INSUR & RL EST	162.9	176.2	8.2	1.6	1.3
33. FINANCE	74.8	78.4	4.7	0.9	N/A
34. INSURANCE	56.0	63.1	12.6	2.4	N/A
35. REAL ESTATE	32.0	34.7	8.3	1.6	N/A
36. SERVICES	640.5	724.6	13.1	2.5	5.2
37. HOTELS & OTHER LODGING	42.3	45.3	7.2	1.4	N/A
38. BUSINESS SERVICES	148.1	156.2	5.5	1.1	N/A
39. HEALTH SERVICES	154.8	203.5	31.5	5.6	N/A
40. GOVERNMENT	533.7	579.0	8.5	1.6	3.5
41. FEDERAL GOVERNMENT	103.3	102.4	-0.9	-0.2	-0.1
42. DEFENSE	36.0	34.7	-3.7	-0.7	N/A
43. OTHER FEDERAL	67.3	67.7	0.6	0.1	N/A
44. STATE & LOCAL GOVERNMENT	430.4	476.6	10.7	2.1	N/A
45. STATE GOVERNMENT	131.4	140.6	7.0	1.4	4.7
46. STATE EDUCATION	52.5	58.7	11.8	2.3	N/A
47. OTHER STATE GOVT	78.9	81.9	3.8	0.7	N/A
48. LOCAL GOVERNMENT	299.0	336.0	12.4	2.4	4.2
49. LOCAL EDUCATION	157.5	169.8	7.8	1.5	N/A
50. OTHER LOCAL GOVT	141.5	166.2	17.5	3.3	N/A
51. TOTAL NONAG. PAYROLL	2995.5	3180.7	6.2	1.2	2.9
52. POPULATION	6478.0	6873.9	6.1	1.19	1.43

Table 7

Five Year Personal Income Projections for Georgia

Georgia State University
College of Business Administration
Economic Forecasting Center
May 1991

	Personal Income Component	1990 Actual	1995 Forecast	Percentage Change	Annual Rate	Previous Annual Rate
	By Place of Residence					
1.	Total Personal Income	109765	149971	36.6	6.4	8.2
2.	Nonfarm Personal Income	108564	148504	36.8	6.5	8.3
3.	Farm Personal Income	1201	1467	22.1	4.1	2.0
	Derivation of Income					
4.	Total Earnings	84336	114322	35.2	6.2	8.2
5.	less: SSI Contribution	5129	7470	45.6	7.8	10.0
6.	plus: Residence Adj	-55	-48	-12.7	-2.7	---
7.	equals: Net Earnings	79353	106804	34.6	6.1	8.1
8.	plus: Div, Int, Rent	15783	21475	36.1	6.4	8.7
9.	plus: Transfer Payments	14630	21692	48.3	8.2	8.4
10.	State UI Benefits	312	403	29.2	5.3	4.9
11.	Tnsfrs less SUIB	14318	21289	48.7	8.3	8.4
	By Place of Work					
12.	Components of Earnings					
13.	Wages and Salaries	69243	94121	35.9	6.3	8.8
14.	Other Labor Income	6576	8689	32.1	5.7	6.5
15.	Proprietors Income	8718	11512	32.0	5.7	4.7
16.	Farm	1041	1269	21.9	4.0	4.4
17.	Nonfarm	7678	10243	33.4	5.9	4.7
	Earnings By Industry					
18.	Farm	1201	1467	22.1	4.1	4.5
19.	Nonfarm	83335	112855	35.4	6.3	8.3
20.	Private	69155	94197	36.2	6.4	8.4
21.	Ag Svc, Fish, Etc	347	393	13.3	2.5	4.8
22.	Mining	364	463	27.2	4.9	5.4
23.	Construction	4936	6256	26.7	4.9	8.0
24.	Manufacturing	15094	18926	25.4	4.6	5.5
25.	Nondurable Goods	8674	10759	24.0	4.4	4.8
26.	Durable Goods	6419	8167	27.2	4.9	6.3
27.	Trans and Pub Utils	7769	10187	31.1	5.6	8.0
28.	Wholesale Trade	7547	10375	37.5	6.6	7.5
29.	Retail Trade	8007	10114	26.3	4.8	7.7
30.	Fin, Ins, and RE	5569	7916	42.1	7.3	8.3
31.	Services	19524	29567	51.4	8.7	11.7
32.	Gvt and Gvt Entprs	14181	18658	31.6	5.6	7.6
33.	Federal, Civilian	3160	3870	22.5	4.1	5.2
34.	Military	1663	1662	-0.1	-0.0	0.3
35.	State and Local	9358	13126	40.3	7.0	9.6
36.	* Real Personal Income	83345	92746	11.3	2.2	3.4
37.	Atlanta CPI (1982-1984=100)	131.7	161.7	22.8	4.2	4.7

* Deflated with projected Atlanta CPI

The Georgia State University Economic Forecasting Center collects data, engages in analysis of macro-economic systems and develops procedures that aid in the creation of econometric descriptions of the national, regional and local economies. Our research is sponsored by the Georgia State University College of Business Administration and receives financial support from the following organizations:

ATLANTA CAPITAL MANAGEMENT • Since 1990
BANKERS FIRST FEDERAL SAVINGS • Since 1983
BELLSOUTH CORPORATION • Since 1983
BW/IP INTERNATIONAL, INC. • Since 1988
(LONG BEACH, CALIFORNIA)
THE CITIZENS AND SOUTHERN NATIONAL BANK • Since 1973
THE COCA-COLA COMPANY • Since 1973
E.C.C. AMERICA, INC. • Since 1979
ERNST & YOUNG • Since 1990
FEDERAL HOME LOAN BANK OF ATLANTA • Since 1989
FIRST ATLANTA CORPORATION • Since 1973
FULTON FEDERAL SAVINGS AND LOAN ASSOCIATION • Since 1978
GEORGIA-PACIFIC CORPORATION • Since 1983
GEORGIA POWER COMPANY • Since 1990
JGA CORPORATION • Since 1989
LOWE'S COMPANIES, INC. • Since 1983
(NORTH WILKESBORO, NORTH CAROLINA)
MARTA • Since 1991
MORGAN, KEEGAN AND COMPANY, INC. • Since 1975
(MEMPHIS, TENNESSEE)
OGLETHORPE POWER CORPORATION • Since 1983
THE ORIGINAL HONEY BAKED HAM COMPANY OF GEORGIA, INC. • Since 1988
PHYSICIANS GLOBAL MORTGAGE CORPORATION • Since 1990
PRYOR, MCCLENDON, COUNTS & COMPANY • Since 1988
THE ROBINSON-HUMPHREY COMPANY, INC. • Since 1976
ROCK-TENN COMPANY • Since 1989
SHEARSON LEHMAN HUTTON • Since 1988
STATE MUTUAL INSURANCE COMPANY • Since 1990
TOWERS, PERRIN, FORSTER & CROSBY • Since 1990
TRIMBLE HOUSE CORPORATION • Since 1983
TRUST COMPANY OF GEORGIA • Since 1973
UNITED FAMILY LIFE INSURANCE COMPANY • Since 1987
VULCAN MATERIALS COMPANY • Since 1985
(BIRMINGHAM, ALABAMA)

Georgia State University, a unit of the University System of Georgia, is an equal opportunity educational institution and is an equal opportunity/affirmative action employer.

FORECAST OF GEORGIA & ATLANTA

1991–1992

GEORGIA STATE UNIVERSITY
COLLEGE OF BUSINESS ADMINISTRATION

August 1991

Dr. Donald Ratajczak, Director

ECONOMIC FORECASTING CENTER

GEORGIA'S RECOVERY STILL HAS NOT ARRIVED

Dr. Donald Ratajczak
Director
Economic Forecasting Center

SUMMARY

Georgia suffered more from the Persian Gulf crisis than did most other states or the nation. Troop deployment removed $275 million in military payrolls from the state. The ensuing slump in sales led to the largest quarterly decline in sales tax receipts in more than twenty years. Convention travel fell sharply, leading to layoffs at hotels and restaurants, especially in the Atlanta area. Higher fuel costs and slumping travel ended the operations of Eastern airlines. As a result, **gross state product** fell 2.3% below previous year levels during the second quarter. This compares with a dip of only 0.6% for the United States. Like the remainder of the United States, leading indicators for Georgia have turned up. However, Georgia's economy continued to contract by 1.4% in the second quarter while the United States eked out a 0.4% advance. Government cutbacks, further declines in retail employment, and continuing weakness in construction should prevent the Georgia economy from growing until the fall. For 1991, Georgia's **gross state product** is expected to fall 1.8%, as compared to only a 0.3% decline for the nation. Georgia also may slip slightly below the nation in 1992 with only a 2% gain in state product as compared with 2.5% for the nation.

Nonfarm personal income during the first quarter increased only 0.2% following a similar sluggish gain during the winter. Georgia ranked last in personal income gains for the southeast and 37th in the nation during the first quarter. Our projection of only a 2.2% gain in nonfarm personal income for Georgia in 1991 ranks this year as the worst since 1974, but is consistent with only a 3.4% gain from previous year levels during the first quarter. Such income gains suggest why state revenues only increased 1.1% during the past fiscal year and suggest that revenue gains of 4.5% are most likely for next year, despite a rebound to a 6.2% gain in nonfarm personal income for 1992. Revenue gains approaching 8% are then likely in the subsequent fiscal year in the absence of tax changes.

Employment weakness has been so widespread early in 1991 that the industries showing increases are easier to count. They are food processing, utilities, insurance, and health services. All other private sectors experienced employment declines. Our seasonally adjusted estimate of employment showed a further drop of 14,600 during the spring with employment continuing to fall in June. At this time, 51,000 fewer jobs exist in Georgia than did a year ago. Some expected improvements in the second half should reduce these declines to 36,300 for the year while unemployment should average 6.2%, a full percentage point higher than a year ago.

The drop in employment opportunities has reduced in-migration. Population should increase only 1.2% this year and 1% in 1992. This compares with gains of 1.8% per year in the 1980s.

A possible sign of improvement is the end of falling manufacturing payrolls. However, the secondary shocks from previous job loss in the goods producing sectors must work through the retailing, service, and government payrolls. Employment stability is approaching, but weakness from the budgetary crisis could prevent any meaningful recovery until next year.

RECENT CONDITIONS

During the first quarter, **nonfarm personal income in Georgia increased a second consecutive 0.2%.** The gap narrowed between Georgia and the United States, but only because U.S. nonfarm income slowed to a 0.3% gain during the first quarter following a 0.9% increase in the fall. Farm income recovered slightly from the fourth quarter but remained seriously depressed from previous year levels. Georgia wages and salaries, which showed no change during the fall, fell by 0.4% in the winter. Some of the large deviations within the United States included construction (-7.7% v -4.0%), transportation services (-1.6% v -0.2%), retail (-1.1% v -0.4%), and services (0.8% v 1.1%). State and local earnings actually rose more in Georgia than in the U.S. (1.9% v 1.6%). Wholesale earnings rose 0.4% in Georgia while falling 0.2% nationwide.

Of course, the large declines in employment led to sharp gains in unemployment compensation (30.6% v 16.3%) for Georgia. Other transfer payments also helped ease the income burden, rising 4.5% in Georgia against a 3.9% gain for the nation. Falling interest rates reduced property income by 1.1% in Georgia and 1.2% in the nation during the quarter.

Our indicators continued to show a decline of 1.4% in Georgia's **gross state product** during the spring. This followed decreases of 3.6% and 5.2% in previous quarter. Hours worked continued to fall but only half as much as they did in the winter. In fact, productivity was largely unchanged following substantial declines in previous quarters. Hopefully, these reduced cost pressures will minimize the plunge in corporate tax accruals later this year. During the spring, corporate profits as reflected in accrued taxes fell 17%. A modest decrease in the insured unemployment rate suggests that **industrial activity in Georgia is improving.**

Georgia's leading indicators improved sharply during the spring, suggesting that the economy may be approaching a rebound. Gains were widespread with only sales tax receipts showing a modest drop. Manufacturing hours and initial unemployment claims contributed substantially to the gains, suggesting that the industrial sector may soon rebound. The construction variables also rose while commercial bank deposits continued to improve after adjustment for inflation. **The ratio of the leading to the coincident indicators also turned up strongly** following its low in the first quarter. This indicator shows that pressures for increased activity are increasing more rapidly than current activity requiring improvement ahead. Until the spring, these indicators were not favorable. Thus, some gains in activity now appear likely later this year.

Although job loss slowed from the first quarter, the 2% drop in payrolls at annual rates during the second quarter (an additional 14,600 on top of the 20,500 lost during the first quarter) compared unfavorably with the 1.2% annualized drop nationwide. Moreover, employment continued falling through June after seasonal adjustment. Manufacturing jobs continued to fall in the second quarter but may have stabilized in June. This means that most of the declines in basic activity (which includes conventions and many transportation services as well as manufacturing) have ended. However, the multiplier adjustment to those declines is still working through the retail, services and government sectors. Assuming no further weakness in basic employment, the drop in total employment should run its course by the end of summer. This would mean that recovery can begin in the fall.

For the year, all major goods producing sectors except food processing will sustain job loss. However, lumber, furniture, and transportation equipment production all appear to have begun recovery. Primary metals and instruments also showed gains in June after seasonal adjustment. Unfortunately, weakness remains intact for stone, clay, glass, fabricated

metals, and the machinery industries. Lockheed already is recalling workers while the auto assembly plants have stabilized. Some of this has been offset by weakness in defense related activities other than Lockheed. However, durable manufacturing appears to be stabilizing in Georgia.

In nondurables, food processing never fell into recession. Also, the important textiles and apparel industries appear to have stabilized following sharp declines late last year. Carpet activity is actually slightly ahead of a year ago. Weakness remains intense for the paper, printing, chemical and rubber industries. Just as in the durables, the nondurables appear to be stabilizing.

If only construction could stabilize. The freefall that began last summer continued into this summer. In the past year more than 14,000 construction jobs have disappeared. Commercial activity continues to weaken while apartment activity may have reached an irreducible minimum. Industrial activity remains soft and retail activity continues to decline. Even public construction has been weakening with the onset of the state's budget crisis. Recovery is difficult without some stability in the construction industry.

Mining, which is minor in Georgia and generally represents kaolin activity, has stabilized following weakness early this year.

Although the goods producing sector other than construction is stabilizing, those lost earnings are still restraining service and distribution activity. Also, the convention season ended in Georgia before travel began recovering from the Gulf War disruptions. Therefore, hotel and restaurant employment continued to fall. If travel rebounds in the fall, as expected, these sectors could turn at that time. The service sectors that are continuing to weaken in Georgia include wholesale and retail trade, real estate, and federal government. The budget crisis may add state government to that list in the summer. Transportation services have stabilized but have not yet begun the recovery from Eastern's demise (75 flights have been added by other carriers since Eastern collapsed, but no discernible gains in employment have yet developed). Some gains are expected when United Parcel moves its headquarters to Atlanta. Communications has stabilized but the gains in insurance are easing. Business services show little pattern at this time. Georgia's health services industry shows little slowing as the glaring exception to an otherwise dismal employment picture.

Finally, the state budget crisis guarantees substantial slowing in government employment in the next year. The budget for fiscal year 1991 fell short of revenue estimates by more than $200 million. Both sales and income taxes were underestimated by more than $100 million. Even if the 6.1% revenue gains projected for fiscal year 1992 materialize, this budget is beginning with nearly a quarter billion dollar lower revenue base than expected. However, nearly $150 million of revenue shortfalls from restrained budgets were shifted into the next fiscal year by borrowing from trust accounts. This means the shortfall is more than $350 million even if the growth in revenues materializes. Our estimates, however, show revenue gains of only 4.5% before higher than average income taxes rebuild coffers in fiscal year 1993. This means another $150 million must be added to the shortfall.

The budget already was lean for fiscal year 1992, with inflation adjusted expenditures showing no gains. This shortfall will require reductions in state government, including the loss of some employment. When this is combined with weakness in federal employment a year after the Census and with reduced support for growth of local governments, only minor expansion in employment is expected for the government sector in the next two years.

Earlier claims that Georgia savings rates improved are no longer valid because of the sharp drop in earnings growth. Disposable income probably increased only as much as

personal income, or 3% in the past year. Inflation was more than 4% for consumer goods during that time. Thus, real purchasing power actually fell more than a percentage point in Georgia. Taxable sales plunged 1.9% in Georgia from previous year levels in the first quarter. After inflation, this was a drop of nearly 5%. Assuming service expenditures after inflation grew more than 2%, total expenditures probably declined slightly more than 1%, or about the same as real purchasing power. Employment in retail trade during the same period fell 2.2%, but that is less than needed to equate employment with sales. Thus, further weakness in retail employment is likely until the fall.

In the winter **every metropolitan area in Georgia experienced a weakening in year-over-year taxable sales from the previous quarter.** Atlanta shifted from a 0.7% gain to a 2.3% decline. Augusta's 12.5% Christmas gains were reduced to 5% in the winter. Columbus fell from a 2.1% gain to a 3.1% decline. Macon nearly stabilized as a 0.9% fourth quarter decline only deteriorated to a 1.1% drop in the winter. Savannah was the healthiest, with a drop only from 5.8% to 5.4%. Albany also remained positive, with sales gains slowing from 3.4% to 1.7%. In Athens, the drop was from a gain of 3.9% to a decline of 0.4%. After inflation, only Savannah and Augusta have experienced sales gains in the past year.

In June, Georgia's insured unemployment rate improved to 2.2% from 2.9% in March. Atlanta also improved from 2.6% to 2.1%. While these rates are substantially below the 3.1% rate nationwide, they are substantially above the full employment rates for Georgia and Atlanta. Georgia's unemployment rate as measured by the household survey has only increased 0.6 percentage points to 6.4% in the past year, in comparison to a 1.6 percentage point surge for the U.S. But the nation experienced labor force growth, while the number of people looking for work in Georgia actually fell. A 57 thousand reduction in Georgia employment in the household survey, or 1.9% during the past year, compares with a 52 thousand drop in payrolls over the same period. This indicates that little adjustment is likely in the benchmark revisions next year.

ALBANY-Employment in the household survey fell 200 from previous year levels. The labor force fell slightly more, leading to a modest decline to 7.2% in the unemployment rate over the past year. Payrolls expanded a modest 100, but construction continued to account for 500 additional jobs from the previous year. Obviously, construction cannot continue to grow faster than the Albany economy. Other sectors showing gains include food processing, retail, finance, and state and local government. The largest weakness was in federal payrolls with services, wholesale trade, and textiles also weakening. Stagnation, but not recession, currently confronts the Albany economy.

AUGUSTA-In the past year unemployment has jumped by a full percentage point to 5.8%. The household survey shows a loss of 4.5 thousand jobs while the payroll estimates are down 2.8 thousand. Downsizing the Savannah River Plant has been responsible for much of this weakness. Construction is off 1,800 while trade has declined another 800 despite modest gains in taxable sales after inflation. Other weakness was in finance, transportation, printing, food processing, and the stone industry. Federal government payrolls also contracted, although state and local employment was up. Chemicals and other nondurables also showed some gains. Most of the adjustment to unfavorable developments at the nuclear defense facility have been absorbed, but no gains in activity are apparent.

ATHENS-Despite only a modest increase in unemployment to 5.2% in the past year, the Athens economy clearly is in recession. Household employment has fallen 2.1 thousand while payroll employment is off 1.6 thousand or 2.3%. Moreover, only an 800 gain

in state and local payrolls prevented the weakness from being greater. The current budget crisis in Georgia almost certainly will restrict that pocket of strength. Weakness is in durable manufacturing, textiles, construction, and retail trade. With government cutbacks looming, no strength is likely until late this year.

ATLANTA-Unemployment in Atlanta remains below Georgia at 6.2%, but employment is off by nearly 24 thousand. Payrolls are off a comparable 23 thousand. More will be said about Atlanta below.

COLUMBUS-Unemployment barely budged in Columbus, but only because an 800 drop in employment was offset by a comparable decline in the labor force. Therefore, the 6.4% unemployment rate is deceiving. Payrolls have fallen a lesser 400, with a sizable 1,900 in trade. Services and state and local government payrolls are up sharply while construction and food processing also are slightly higher. Textile mills, printing and transportation provide the other areas of weakness. Although taxable sales have deteriorated sharply, this decline in retail activity is excessive and should diminish ahead. Therefore, Columbus may soon climb out of its decline, especially with the aid of a new battery plant and other manufacturing expansion.

MACON-Macon also saw little change in unemployment, but only because a 2,300 drop in employment was offset by a similar decline in the workforce. Macon payrolls are down a similar 1,700, but all the weakness has been concentrated in construction and federal payrolls. Retail trade also has weakened and food processing has declined. Strength in the finance, paper, textile, and state and local government sectors are offsetting. A new fighter wing at Warner Robbins may stabilize the Macon economy in the next few months, but a general decline in defense activity will imperil development in central Georgia.

SAVANNAH-According to the household surveys, employment has fallen 1,300 in Savannah. A comparable drop in the labor force has led to only a modest upward drift in unemployment to 5.8%. Payroll estimates show similar weakness. Moreover, retail trade employment is down despite a modest gain in inflation adjusted taxable sales. The largest weakness is in transportation equipment (boating and private aircraft). Paper, chemicals and transportation services also are lower. However, finances and services are up strongly. Unlike other areas, government payrolls are off sharply at all stages. These employment patterns are consistent with recession, but any downturn in Savannah based upon falling government and retail activity should not last.

STATE REVENUES

The current budget crisis suggests that alternative estimates of state revenues should be emphasized. Although revenue estimates have been a part of this report for more than ten years, little attention has been given to them by the state administration or by the legislature. While their alternative methods of analysis certainly are useful, combining public and private sources of analysis would reduce the embarrassment that this state now faces. **The latest budget crisis could have been minimized by more realistic assessments of revenue estimates.** Once the recession in Georgia was established, revenues should have immediately been reduced in the sales tax and income levels. Instead, the budget presented by the governor in January, after a recession had been officially acknowledged, contained sales tax estimated gains of 4.9%. In the past two years, excluding the additional $685 million raised by the additional penny sales tax, sales tax receipts had only increased 2.6% per year, and they were not recession years. While some recession was contained in the income tax receipts, the 3.7% gain was inconsistent with the normal sharp decline in corporate tax collections that accompanies recession. In short, much of the $200 million shortfall in receipts should have been known in January.

Of course, this shortfall reduces the revenue base by $200 million before the new fiscal year begins. Moreover, with only a 1.1% gain from previous years in sales tax collections during June, the anticipated 6.1% gain in total sales tax receipts is very suspect. Given our projected personal income gains of 2.1% this year and 6.3% as the economy begins recovery next year and also recognizing that our savings is not higher than that of the nation, receipts between 3% and 4% are more reasonable. Even the 7.7% projected gain in income taxes is suspect, because the recovery may not begin until the fall. Eventually, corporate tax collections should soar, but they will not have enough time to do so in the next fiscal year. Adjusting for these changes and recognizing that the difficult cash flow situation of the state will reduce interest earnings, revenue gains of 4.5% are more reasonable. This difference leads to another $130 million shortfall in the revenues. Thus, the shortfall is $330 million before any spending or revenue adjustments are made.

Unfortunately, the problem does not stop there. Stopgap measures near the end of the last fiscal year reduced expenditures, but only by reducing contributions to trust funds (in effect, borrowing from those funds to balance the budget) was an operating deficit avoided. Those borrowings need to be replaced in the current fiscal year. Thus, the shortfall for fiscal year 1992 is approaching $500 million. (The reported $520 million shortfall is similar but I have not had access to the methods by which that estimate was made.)

This analysis provides only a snapshot of where the budget is as the new fiscal year begins. Some of the dynamics of the budget show a 23% increase annually since fiscal year 1988 in medical assistance, an 18% annual gain in corrections, and a 17% annual gain in transportation. (The revenues supposedly supporting those transportation gains, the gasoline tax plus the $123 million of assigned sales tax has been growing only 2.5% annually, and that includes the impact of the changing sales tax rate.) All appropriations since fiscal year 1988 have been growing 8% per year. Although state board of education takes the largest share of the budget, that component has been increasing 6.6% annually and the budget for the board of regents has only increased 4% per year over that time. (These are based upon the proposed spending programs for fiscal year 1992 presented by the governor in January.)

Whenever a recession occurs after a calendar year has begun, tax refunds and reduced tax collections during the next winter and spring grow more slowly than earlier in the fiscal year. Thus, the sharp reduction in collections during the spring should not have been a major surprise. Moreover, collections will now improve unless the recession intensifies. Therefore, the 3.2% decline in total collections for June should not be repeated in the summer and fall. (Quarterly corporate refunds further accentuated the June shortfall.) For the spring quarter, total revenues fell 1.3% from a year ago. The summer quarter collections should be 4-5 percentage points better than that, but that will cause revenues to grow 2 to 3 percentage points below the initial 6.1% projected gains for the fiscal year. **Revenues for the entire fiscal year now are projected to grow 4.5%, with gains of 8.5% in the subsequent year when corporate tax collections surge.**

Sales tax receipts remained an anemic 1.1% above previous year levels in June. For the quarter, receipts grew a niggardly 0.5%. This was better than the 2.7% decline during the war and the previous gains of 2.2% and 6.3% before that. In the past fiscal year, sales tax receipts increased 1.6%. Sales tax receipts for all state and local governments rose 4.2%. Previous gains were 2.7%, 6.7%, 6.3%, and 4.1% respectively. Spending clearly increased more nationwide than in Georgia.

As the refunds diminished in June, individual income tax collections rose 9.5%. For the fiscal year, they increased 2.8% or slightly better than current estimates of personal income gains in the state. **Rising financial**

markets and an average income gain of more than 4% for the next fiscal year should generate more than 5% gains for fiscal year 1992. In the latest quarter, personal income tax collections rose 1.7%. This was better than the 1.1% decline during the winter. In previous quarters, collections rose 6.3%, 4.4%, 1.7% and 3.3% respectively. All state and local governments showed gains of 4.6%. In previous quarters, their gains were 3.8%, 3.5%, 4.6% and 2.1%. The weakness in Georgia's economy was apparent in these collections as well.

Corporate tax collections plunged 44.7% in June during their estimation period. This reversed the surprisingly robust collections for corporations in the winter. During the fiscal year, collections fell 12.4%, in line with recessionary performance. In the quarter, collections fell a whooping 25%. This compared with the surprising 4% gain in the winter and declines of 15.7%, 2.6%, 4.9% and 25% in previous quarters. All state and local governments showed an estimated decline in corporate accruals of 1.7%. This was an improvement from the 13.7% decline during the winter.

In all categories, tax collections in Georgia have been considerably weaker than in other state and local governments. However, the Georgia economy also has been weaker. Except for the plunge in corporate tax collections, which reverses a surprising gain in such collections during the winter, collections are consistent with prevailing economic conditions. Revenues fell short of estimates because the economy fell short of previous projections. Our leading indicators say a recovery is coming, but it has not yet arrived. Therefore, the 6.1% revenue gains projected for the current fiscal year are not attainable. However, increases of 4.5% are likely unless the national economy relapses into recession.

GEORGIA OUTLOOK

Georgia's recession has been deeper and longer than in the United States. Although U.S. activity increased during the spring, our indicators suggest that the Georgia economy contracted at a 1.4% rate. The latest personal income reports show Georgia with the smallest gains of any state in the Southeast and 37th in all states nationwide.

Such performance occurred because construction excesses were larger than average, economic activity in the state was more dependent on growth than in other states, special circumstances such as the Lockheed reductions and the Lakewood plant closing accentuated normal national recessionary tendencies, and the state remains more globally impacted than the nation as the dollar soared early this year. To avoid a repeat of this performance in subsequent downturns, this state must become more self-reliant. We must create our own skilled workforce rather than hope that the Atlanta magnet will continue to attract them. Better co-ordination between our universities and business development must be fostered. Stronger universities need to be developed in place of more locations. International relationships must be aggressively pursued. But these are goals to avoid further downturns in excess of national performance.

If the national recession is over, Georgia's recession also should end in the summer months. Manufacturing employment has stabilized here, as it has nationwide. Our leading indicators are now moving upward vigorously. Most of the retail excesses have been squeezed from the Georgia economy. Construction may have reached irreducible levels in apartments, retail and commercial activity. Moreover, the positive attractiveness of Holiday Inns, United Parcel, and the F-22 contract for Lockheed should stem the negative forces that accentuated this recession.

Only the budget crisis remains to be resolved. Some loss of real government spending and employment will slow the early phase of this recovery, but only a national relapse should prevent the recovery from beginning. Our indicators do not yet show an upturn, but the preconditions for an advance are now in place.

June, when jobs were 52,000 below previous year levels, may well be the low point for seasonally adjusted employment in the state. The job hemorrhaging in textiles and apparel has ended and some construction related manufacturing activity has begun to rebound. Transportation equipment is hiring again while food processing continues to expand. Only the continued freefall in construction prevents the goods producing sector from stabilizing; but apartment activity is so low and commercial activity is so sluggish that a floor must be near.

Although retail trade has not slumped as much as purchasing activity, some rebound in earnings soon must develop. Nonfarm personal income before inflation adjustment simply will not continue the less than 1% annual rate of growth of the fall and winter. Although Georgia is projected to lose 36,300 jobs in 1991, these jobs already have been lost. Except for government, an upturn in employment is likely in all sectors by fall.

Unfortunately, the recovery will be sluggish. Bank consolidations will exert further employment weakness in the finance sector next year. The machinery and printing industries may remain sluggish next year. Real estate also will be struggling, but 31,800 new jobs are likely in 1992.

With employment no higher in 1992 than in 1990, the unemployment rate will rise to 6.3% while in-migration will virtually cease. Even so, modest gains in hourly earnings, increases in the workweek, and some job gains should generate a 6.2% gain in nonfarm payrolls after a 2.2% increase this year.

While revenue shortfalls were not expected, they correspond to the weakness of the economy. When the economy improves, so will revenues. Nevertheless, growth of only 4.5% in revenues is expected for fiscal year 1992, followed by more than 8% gains in fiscal year 1993 as the corporate sector rebounds.

Finally, the recovery is on the horizon, as our leading indicators show, but the recession was not mild in Georgia.

****

WHERE IS THE ATLANTA RECOVERY?

RECENT CONDITIONS AND OUTLOOK

Following Eastern's demise, Atlanta began to generate positive news. Holiday Inns moved to Atlanta (and received 31,000 applications for 400 jobs.) United Parcels is bringing its headquarters here. Lockheed won the F-22 contract, which will mean 2500- to 3000 jobs in a few years. Only the merger of C&S/Sovran with NCNB marred the progression of good news. Although the reduction in legal, accounting, marketing and consulting business, the decline in administrative personnel, and the reduced leadership role of C&S will have a profound, adverse impact upon the metro area. Even with C&S, however, more good than bad followed the Eastern collapse.

Unfortunately, we were premature in assuming that the negative forces of 1990 had been absorbed by the Atlanta economy. Taxable sales fell 2.3% in Atlanta while they were declining 1.9% for the state. Slumping retail employment quickly developed. The convention business was staggered by the war, although lodging performed better in Atlanta than the remainder of the state. Construction continued to fall, with only 197 multifamily permits during the second quarter. Following the completion of three towers currently under construction, only a million square feet of new construction is in the pipeline. Now, the important government sector will recede as the state struggles with a

$500 million deficit and the city of Atlanta tries to close a $12 million gap.

In other words, the multiplier response to previous economic shocks continues to reverberate throughout the Atlanta economy. Atlanta's seasonally adjusted employment in June was 5000 below the previous March bottom. This means that **the recession almost certainly has not yet ended in Atlanta.**

However, an upturn is developing. Construction can hardly fall further, although single family housing may still be stronger than household growth because reduced employment opportunities has sharply reduced the inmigration of population. Manufacturing has bottomed out, with transportation equipment actually rebounding. Indeed, all manufacturing sectors except chemical production are projected to show employment gains next year. While stung by collapse of Eastern, about 75 new air routes have been added since the 300 Eastern routes were abandoned. The C&S merger will slow growth opportunities in the service sector, but the finance and insurance industries already have been rebounding. Business services fell sharply in June, but had been trending upward prior to that setback. Further modest gains should be anticipated there.

Only the government poses a large question mark for 1992. State layoffs are likely. Local government restraints also are inevitable. Moreover, federal employment also seems to be contracting even more than the year after a Census. Despite an explosion of students, the recent explosion in state education payrolls will not be sustained.

The city also faces the problems of a declining downturn area. Weakness in government, the strongest employer in that area, will threaten the viability of downturn retail. Rich's already has closed and moved a reduced headquarters activity to the perimeter. Wachovia is moving north, but still in the downtown area, while a downsized C&S headquarters will be moving to their tower in midtown. Further announced developments around the Biltmore hotel in midtown will further detract from downtown development. Only the Portman tower and gift mart are adding potential activity to the central city, and leasing in both units remains spotty. At the same time, the First Atlanta tower, Equitable building, and Hurt building are emptying. To be sure, much of this activity merely is drifting north. Therefore, the streets and transportation systems are not yet becoming redundant. Nevertheless, a weakening city center could slow city development, especially in the convention and lodging business in the years ahead.

Industrial vacancy rates according to Coldwell Banker fell nationwide from 7.4% to 7% during the latest quarter. In Atlanta, vacancies continued to soar to 9.5% from 9.2% in the previous quarter. Thus, absorption remains below completions even as the square footage of industrial activity begins contracting. Further declines in activity will be necessary.

Commercial vacancy rates continue to climb in Atlanta. Nationally, commercial vacancies are at 19.4%, while they have increased to 19.1% according to Coldwell Banker for the Atlanta area. As the latest towers are completed, further vacancy increases to more than 20% are likely locally. However, rental rates are easing (the effective rental rate for class A buildings has slipped to nearly $16 per sq. ft. although expected rents for space under construction remains at $27. With only 1 million square feet projected for next year, current absorption rates of 2.5 million square feet per year should begin lowering the vacancy rates next year.

Reduced employment opportunities have sharply reduced population gains in recent years. The latest Census figures, which showed larger underreporting in Georgia than any other major state, indicated that population gains have slowed to 1.7%. Further reductions to only 1.2% gains are projected for 1992.

This means that household formations will fall below 20,000 in 1992. Thus, the glut of unsold homes will remain for another year.

Single family housing permits appear to be stabilizing. The spring showed a negligible dip from the previous year. Gwinnett rebounded sharply with a 23% gain from the previous year. Other counties experiencing sharp gains in single family permits include: Cherokee (21%), Cobb (13%), Paulding (11%), Henry (6%), and Fayette (1%). Sharp declines occurred in Barrow (38%), Rockdale (31%), Forsyth (26%), Clayton (19%), Fulton (16%), and Douglas (14%). Although Fulton showed a gain in multi-family permits from previous year levels, only 131 units were permitted in the quarter. Total multi-family permits slumped to less than 200. Clearly, apartment activity is at irreducible levels. Housing appears to be stabilizing, but has not yet rebounded.

After falling 7.4% this year, single family permits should rise slightly in 1992. Gwinnett easily will outdistance all other counties in that year with Fulton county coming in second. In addition to Gwinnett, strong gains are expected in Cherokee, Cobb, Paulding, and Walton. Multi-family permits are expected to grow by 23%, but only from a low of 1140 units in 1991. Thus, the housing rebound will be especially modest because of further declines in population growth.

Only Columbus has weaker taxable sales gains than Atlanta during the winter quarter. Newton county was the only metro county to experience real gains in sales during the quarter. Butts (2.9%), Fayette (1.1%), Fulton (0.7%) and Cherokee (0.6) were the only other counties to experience increases in dollar sales from the previous year. Sales weakness was most significant in Paulding (-13%), Clayton (-10%), Henry (-9.9%), Barrow (-7.7%) and Rockdale (-6.9%). After inflation, taxable sales fell 6% during the past year in Atlanta. Assuming an inflation adjusted growth of 3% in service expenditures, total consumer spending was off more than 1% or more than in the state. Width income growing slightly faster in Atlanta than Georgia, this suggests that savings grew in Atlanta even as it remained flat in Georgia.

By May, monthly retail trade was growing stronger in Atlanta than in the nation. During the first five months of this year, Atlanta sales were 1.5% ahead of a year ago. In the United States, the gain was only 0.7%. Activity was especially strong for nondurables, with gains of 4.6%. This compares with a 3.6% increase for the United States. Sales in the Southeast were stronger than the nation although the strongest region was the midwest. The weakness in trade after inflation exceeds the decline in trade employment, although the latter has fallen sharply. Thus, further declines in trade employment are likely in the second half of 1991. By the Christmas season, however, some employment improvement is expected.

Atlanta is expected to lose 13,500 jobs this year, a larger number than expected three months ago. In June, employment was nearly 22,000 below previous year levels. Jobs then are expected to increase 20,600 in 1992 with gains in manufacturing, some growth in transportation services, stability in retail activity and further increases in services. Government payrolls will grow more slowly, however. **Unemployment will continue to drift upward into next year, with rates of 5.7% and 5.9% in the two forecast years.**

Atlanta's personal income should decline after inflation in 1991. The projected 2.4% gain is the lowest since 1974. Even property income should decline slightly this year because of falling interest income. Earnings in construction are off most sharply, but declines are expected in mining, manufacturing, and retail trade. Surprisingly, state and local payrolls are showing the largest increase (can that be why there is a budget crisis.) Earnings should rebound next year, but gains of 6.5% will still trail gains during the 1980s. Thus, the recovery will be especially sluggish in 1992.

Table 1

Georgia Wage & Salary Employment (Seasonally Adjusted) for 1988-90 with Forecasts through 1992

Georgia State University
College of Business Administration
Economic Forecasting Center
August 1991

Description	Quarterly Seasonalized Data III 90	IV90	I91	II91	Jun(P)	Annual Percentage Change 89/88	90/89	91/90	92/91	Annual Average 1988	1989	1990	1991(F)	1992(F)
1. MANUFACTURING	558.2	551.4	542.4	538.7	539.2	-1.0	-1.6	-3.6	0.9	574.3	568.3	559.4	539.0	543.6
2. DURABLE GOODS	211.5	207.2	200.6	199.7	199.8	-2.5	-3.4	-5.6	1.5	225.1	219.3	211.9	200.0	202.9
3. LUMBER AND WOOD	31.8	31.0	29.2	29.6	29.8	-4.9	-3.2	-6.4	1.3	34.6	32.9	31.9	29.8	30.2
4. FURNITURE AND FIXTURES	9.9	9.2	8.8	9.0	9.2	-3.2	-9.2	-7.8	3.3	11.2	10.9	9.9	9.1	9.4
5. STONE, CLAY, AND GLASS	18.4	18.2	17.9	17.0	16.9	-6.0	-4.4	-8.1	-0.6	20.6	19.4	18.5	17.0	16.9
6. PRIMARY METAL INDUSTRY	15.0	14.3	14.0	13.8	14.1	-2.4	-1.5	-6.9	1.4	15.5	15.2	14.9	13.9	14.1
7. FABRICATED METAL	20.5	20.4	19.9	19.3	19.2	1.5	-2.8	-6.8	1.6	21.0	21.3	20.7	19.3	19.6
8. MACHINERY EXC ELECTRIC	28.3	28.0	28.0	27.3	26.6	6.5	-0.3	-4.2	-0.7	26.8	28.6	28.5	27.3	27.1
9. ELECTRIC & ELECTRONIC	31.9	31.8	31.2	30.9	30.6	3.2	-0.3	-4.0	-0.3	31.3	32.3	32.2	30.9	30.8
10. TRANSPORTATION EQUIP	39.9	38.6	36.3	37.6	38.2	-12.3	-8.6	-5.6	5.3	49.5	43.4	39.7	37.5	39.5
11. OTHER DURABLE GOODS	15.8	15.8	15.5	15.2	15.2	6.6	1.0	-2.7	0.7	14.5	15.5	15.6	15.2	15.3
12. NONDURABLE GOODS	346.8	344.3	341.8	339.0	339.4	-0.1	-0.4	-2.4	0.5	349.3	349.0	347.5	339.0	340.7
13. FOOD AND KINDRED	61.5	62.1	63.3	62.7	62.4	1.5	1.3	1.8	1.9	59.7	60.6	61.4	62.5	63.7
14. TEXTILE MILL PRODUCTS	110.6	108.6	106.2	106.6	106.9	1.1	-0.4	-3.4	0.6	109.7	110.9	110.5	106.7	107.3
15. APPAREL & TEXTILE	60.4	59.9	59.6	59.2	60.0	-4.2	-4.6	-3.3	-0.7	67.1	64.3	61.4	59.4	59.0
16. PAPER & ALLIED PRODUCT	33.5	33.9	33.8	33.3	33.2	5.0	1.8	-1.2	0.3	31.5	33.1	33.7	33.3	33.4
17. PRINTING & PUBLISHING	38.4	38.0	37.4	36.7	36.7	-2.3	1.2	-4.0	-0.3	38.7	37.8	38.2	36.7	36.6
18. CHEMICALS & ALLIED	19.6	19.6	19.7	19.2	19.1	0.6	1.7	-2.5	0.5	19.3	19.4	19.7	19.2	19.3
19. OTHER NONDURABLE GOODS	22.8	22.2	21.7	21.3	21.2	-1.5	-1.6	-6.2	0.9	23.3	23.0	22.6	21.2	21.4
20. TOTAL NONMANUFACTURING	2446.1	2445.4	2433.9	2423.1	2415.2	3.1	2.7	-0.7	1.1	2301.5	2372.7	2436.1	2420.2	2447.4
21. MINING	8.7	8.7	8.5	8.5	8.5	-0.9	-0.6	-2.6	0.0	8.9	8.8	8.7	8.5	8.5
22. CONSTRUCTION	148.6	144.5	138.4	133.5	132.5	-2.4	0.7	-10.3	-0.2	149.9	146.3	147.4	132.2	132.0
23. TRANSP, COMM & PUB UT	199.3	198.6	194.8	193.3	193.3	3.5	4.9	-2.1	1.9	182.3	188.6	197.8	193.6	197.3
24. TRANSPORTATION	118.2	117.7	115.1	113.0	113.0	1.2	4.5	-3.4	2.4	111.1	112.4	117.4	113.4	116.1
25. COMMUNICATION	53.3	53.0	51.6	52.1	52.1	11.1	7.0	-0.9	1.0	44.2	49.1	52.5	52.0	52.5
26. UTILTIES	27.8	28.0	28.1	28.2	28.3	0.4	2.8	1.0	1.8	27.0	27.2	27.9	28.2	28.7
27. WHOLESALE & RETAIL TRADE	747.2	745.2	741.6	732.8	728.9	1.4	0.4	-1.8	0.3	732.1	742.0	745.1	731.9	734.0
28. WHOLESALE TRADE	214.4	213.9	214.7	213.3	212.4	0.5	-0.2	-0.6	0.4	213.3	214.5	214.0	212.7	213.6
29. DURABLE GOODS	134.9	135.4	135.3	134.2	133.9	-1.3	-1.5	-0.8	0.4	138.9	137.1	135.0	134.0	134.5
30. NONDURABLE GOODS	79.5	78.5	79.3	79.1	78.5	4.0	2.0	-0.3	0.5	74.4	77.4	78.9	78.7	79.1
31. RETAIL TRADE	532.8	531.3	526.9	519.5	516.4	1.7	0.7	-2.2	0.2	518.8	527.5	531.1	519.2	520.4
32. FINANCE, INSUR & RL EST	162.5	163.1	163.3	162.8	161.2	1.7	-0.7	-0.3	0.8	161.2	164.0	162.9	162.4	163.7
33. FINANCE	74.5	74.4	74.1	74.5	73.9	1.4	-3.2	-0.7	-0.1	76.2	77.3	74.8	74.3	74.2
34. INSURANCE	56.3	56.9	58.0	57.6	57.4	2.6	3.3	2.8	3.0	52.9	54.2	56.0	57.8	59.3
35. REAL ESTATE	31.7	31.8	31.1	30.7	29.9	1.3	-1.3	-4.8	-1.0	32.0	32.5	32.0	30.5	30.2
36. SERVICES	641.7	650.2	650.2	653.0	651.7	6.6	4.8	1.9	2.0	573.0	610.9	640.5	652.9	665.8
37. HOTELS & OTHER LODGING	42.2	42.1	41.7	41.4	41.1	4.1	1.2	-2.5	3.2	40.1	41.8	42.3	41.2	42.5
38. BUSINESS SERVICES	147.1	148.6	147.7	148.9	147.4	9.1	4.9	-0.1	1.3	129.4	141.2	148.1	148.0	149.9
39. HEALTH SERVICES	155.6	158.3	161.2	163.1	163.2	5.6	6.1	5.6	5.1	138.3	145.9	154.8	163.5	171.8
40. GOVERNMENT	538.1	535.1	537.2	539.2	539.2	3.6	4.2	0.9	1.4	494.2	512.1	533.7	538.7	546.1
41. FEDERAL GOVERNMENT	102.7	101.5	100.5	100.3	99.8	1.7	2.1	-3.0	-0.1	99.6	101.2	103.3	100.2	100.1
42. DEFENSE	35.9	35.2	35.0	35.2	35.2	2.5	-2.4	-2.3	0.3	36.0	36.9	36.0	35.2	35.3
43. OTHER FEDERAL	66.9	66.3	65.6	65.1	64.6	1.2	4.7	-3.4	-0.3	63.5	64.3	67.3	65.0	64.8
44. STATE & LOCAL GOVERNMENT	435.3	433.6	436.7	439.0	439.4	4.1	4.7	1.9	1.7	394.6	410.9	430.4	438.5	446.0
45. STATE GOVERNMENT	132.4	132.9	131.8	132.2	132.0	6.5	5.6	0.2	0.2	116.8	124.4	131.4	131.7	131.9
46. STATE EDUCATION	52.9	53.8	53.7	54.0	53.3	6.2	5.4	2.0	0.7	46.9	49.8	52.5	53.5	53.9
47. OTHER STATE GOVT	79.5	79.0	78.1	78.2	78.7	6.6	5.8	-0.9	-0.3	70.0	74.6	78.9	78.2	78.0
48. LOCAL GOVERNMENT	303.0	300.7	304.9	306.7	307.3	3.2	4.4	2.6	2.4	277.8	286.5	299.0	306.8	314.1
49. LOCAL EDUCATION	161.3	156.6	157.7	159.5	160.7	3.8	3.7	1.4	1.6	146.3	151.9	157.5	159.8	162.3
50. OTHER LOCAL GOVT	141.6	144.1	147.3	147.3	146.6	2.4	5.1	3.9	3.3	131.5	134.7	141.5	147.0	151.8
51. TOTAL NONAG. PAYROLL	3004.4	2996.9	2976.4	2961.8	2954.5	2.3	1.9	-1.2	1.1	2875.8	2941.0	2995.5	2959.2	2991.0
52. CIVILIAN UNEMPL. RATE	5.1	5.1	5.9	5.8	6.4					5.9	5.6	5.2	6.2	6.3

Source : Data (in 1000's) seasonally adjusted by Forecasting Center.
June(P) is seasonally adjusted preliminary June employment. 1991(F), and 1992(F) are forecasted values.

Table 2

Georgia Personal Income for 1987-90 with Forecasts through 1992

Georgia State University
College of Business Administration
Economic Forecasting Center
August 1991

Description Quarterly Personal Income	Quarterly Data II90	 III90	 IV90	 I91	Annual percent change 88/87	 89/88	 90/89	 91/90(F)	 92/91(F)	Annual Average 1988	 1989	 1990	 1991(F)	 1992(F)
By Place of Residence														
1. Total Personal Income	109451	110943	110911	111103	8.6	6.7	6.3	2.1	6.3	96860	103339	109814	112144	119199
2. Nonfarm Personal Income	108148	109776	109981	110152	8.5	6.7	6.5	2.2	6.2	95547	101962	108614	111053	117919
3. Farm Personal Income	1303	1168	930	951	18.2	4.9	-12.7	-9.2	17.3	1313	1377	1201	1091	1280
Derivation of Income														
4. Total Earnings	84463	85589	85009	84748	8.3	5.2	5.9	1.3	6.7	75905	79861	84584	85704	91411
5. less: SSI Contribution	5083	5182	5185	5344	11.9	8.4	6.6	4.5	6.8	4439	4812	5129	5359	5726
6. plus: Residence Adj	-57	-54	-39	-27	-29.6	-62.4	-10.2	-58.5	13.6	-157	-59	-53	-22	-25
7. equals: Net Earnings	79323	80352	79786	79376	8.2	5.2	5.9	1.2	6.6	71310	74991	79402	80323	85660
8. plus: Div, Int, Rent	15681	15932	16041	15868	11.2	14.5	5.7	-0.6	3.2	13038	14931	15783	15693	16193
9. plus: Transfer Paymnts	14447	14659	15085	15859	8.5	7.2	9.0	10.2	7.6	12513	13418	14630	16128	17346
10. State UI Benefits	285	294	390	508	-1.2	8.9	26.1	72.1	-9.9	227	247	312	536	483
11. Tnsfrs less SUIB	14162	14365	14695	15351	8.7	7.2	8.7	8.9	8.2	12286	13171	14318	15592	16863
By Place of Work														
12. Components of Earnings														
13. Wages and Salaries	69126	70204	69761	69496	7.9	5.0	6.0	1.3	6.6	62288	65383	69291	70173	74814
14. Other Labor Income	6534	6624	6696	6741	8.0	6.1	7.5	4.1	7.2	5764	6114	6576	6846	7338
15. Proprietors Income	8804	8761	8552	8511	12.0	6.5	4.2	-0.4	6.6	7854	8363	8718	8685	9259
16. Farm	1144	1006	766	786	20.9	5.3	-14.9	-11.3	18.7	1161	1223	1041	923	1096
17. Nonfarm	7660	7755	7786	7725	10.6	6.7	7.5	1.1	5.2	6693	7141	7678	7762	8163
Earnings By Industry														
18. Farm	1303	1168	930	951	18.2	4.9	-12.7	-9.2	17.3	1313	1377	1201	1091	1280
19. Nonfarm	83160	84421	84079	83796	8.1	5.2	6.2	1.5	6.5	74593	78484	83383	84613	90131
20. Private	69036	70061	69779	69226	8.2	4.7	6.1	0.8	6.9	62303	65225	69214	69786	74544
21. Ag Svc, Fish, Etc	359	340	335	338	8.7	3.4	2.8	-1.6	3.5	327	338	348	342	354
22. Mining	355	367	369	351	15.2	2.0	6.6	-1.4	5.6	332	339	361	356	376
23. Construction	5094	4993	4779	4410	4.4	-2.0	5.1	-12.2	3.8	4804	4709	4948	4346	4513
24. Manufacturing	15031	15278	14789	14594	4.2	1.4	2.8	-2.3	6.5	14421	14618	15023	14680	15631
25. Nondurable Goods	8568	8780	8512	8459	4.7	3.1	3.7	-1.4	6.1	8061	8310	8614	8490	9006
26. Durable Goods	6462	6498	6276	6135	3.4	-0.8	1.6	-3.4	7.0	6359	6309	6409	6190	6625
27. Trans and Pub Utils	7758	7860	8051	7922	5.6	2.0	11.2	1.9	7.8	6898	7038	7828	7976	8602
28. Wholesale Trade	7641	7668	7603	7635	12.4	7.2	1.3	0.5	6.0	7029	7535	7637	7677	8134
29. Retail Trade	8112	8003	8024	7939	8.3	3.5	2.1	-1.7	4.7	7598	7867	8035	7901	8276
30. Fin, Ins, and RE	5510	5645	5668	5710	6.0	3.5	5.1	3.8	6.8	5105	5281	5552	5764	6158
31. Services	19175	19906	20161	20327	13.2	10.8	11.3	6.3	8.6	15792	17501	19483	20718	22500
32. Gvt and Gvt Entprs	14124	14360	14301	14570	8.0	7.9	6.9	4.8	4.9	12289	13259	14169	14853	15587
33. Federal, Civilian	3164	3150	3186	3267	8.4	5.6	4.8	3.6	1.9	2854	3014	3160	3274	3335
34. Military	1721	1709	1451	1454	3.1	3.1	-0.3	-1.5	12.4	1605	1654	1649	1625	1826
35. State and Local	9239	9500	9663	9849	8.9	9.7	8.9	6.3	4.7	7830	8591	9360	9954	10426
36. % of US Nonfarm	2.37	2.37	2.35	2.35						2.37	2.37	2.35	2.34	2.35
37. Population					1.8	1.2	1.3	1.2	1.0	6339	6415	6499	6575	6638

Source : Bureau of Economic Analysis
1991(F) and 1992(F) are forecasted values.

Table 3

Atlanta Wage & Salary Employment (Seasonally Adjusted) for 1988-90 with Forecasts through 1992

Georgia State University
College of Business Administration
Economic Forcasting Center
August 1991

	Description	Quarterly Seasonalized Data III 90	IV 90	I91	II91	June(P)	Annual Percentage Change 89/88	90/89	91/90	92/91	Annual Average 1988	1989	1990	1991(F)	1992(F)
1.	MANUFACTURING	173.3	170.7	167.3	168.4	169.3	-3.5	-2.6	-3.6	2.0	184.7	178.3	173.7	167.4	170.7
2.	DURABLE GOODS	84.3	82.1	79.0	80.7	81.4	-7.2	-4.4	-5.1	3.0	95.5	88.6	84.7	80.4	82.8
3.	LUMBER AND WOOD	3.4	3.3	3.1	3.2	3.1	-22.1	-11.0	-9.5	3.2	4.9	3.8	3.4	3.1	3.2
4.	FURNITURE AND FIXTURES	3.4	3.2	3.0	3.1	3.1	-7.4	-9.4	-10.8	3.2	4.1	3.8	3.5	3.1	3.2
5.	STONE, CLAY, AND GLASS	7.8	7.8	7.7	7.5	7.5	-5.0	-8.9	-5.4	0.0	9.2	8.7	7.9	7.5	7.5
6.	PRIMARY METAL INDUSTRY	6.4	6.3	6.2	6.4	6.8	0.6	-1.9	0.7	4.6	6.5	6.6	6.5	6.5	6.8
7.	FABRICATED METAL	9.2	9.1	8.8	8.7	8.6	-1.1	-2.4	-6.8	0.0	9.6	9.5	9.2	8.6	8.6
8.	MACHINERY EXC ELECTRIC	11.0	11.1	11.1	11.3	11.1	7.4	3.1	1.4	2.7	9.9	10.6	11.0	11.1	11.4
9.	ELECTRIC & ELECTRONIC	15.6	15.4	14.9	14.8	14.8	-1.0	0.6	-6.4	2.0	15.9	15.7	15.8	14.8	15.1
10.	TRANSPORTATION EQUIP	19.9	18.2	17.0	18.5	18.9	-21.1	-12.9	-7.3	6.6	28.7	22.7	19.7	18.3	19.5
11.	OTHER DURABLE GOODS	7.6	7.6	7.5	7.4	7.4	8.2	4.9	-2.6	1.4	6.7	7.2	7.6	7.4	7.5
12.	NONDURABLE GOODS	88.9	88.5	88.2	87.7	87.9	0.5	-0.8	-2.2	1.0	89.2	89.7	88.9	87.0	87.9
13.	FOOD AND KINDRED	19.5	19.9	20.3	20.5	20.4	-2.1	-2.4	4.7	3.4	20.3	19.9	19.4	20.3	21.0
14.	TEXTILE MILL PRODUCTS	7.1	7.0	6.7	6.7	6.9	-0.2	-5.6	-4.9	1.5	7.6	7.6	7.1	6.8	6.9
15.	APPAREL & TEXTILE	9.8	9.5	9.6	9.4	9.7	1.1	-5.7	-4.2	0.0	10.5	10.6	10.0	9.6	9.6
16.	PAPER & ALLIED PRODUCT	10.3	10.5	10.4	10.3	10.1	9.2	4.0	-1.0	1.0	9.1	9.9	10.3	10.2	10.3
17.	PRINTING & PUBLISHING	24.6	24.5	23.9	23.6	23.4	1.0	1.5	-4.0	0.4	23.9	24.1	24.5	23.5	23.6
18.	CHEMICALS & ALLIED	9.5	9.3	9.4	8.6	8.4	2.3	0.5	-9.5	-2.3	9.2	9.4	9.5	8.6	8.4
19.	OTHER NONDURABLE GOODS	8.1	7.8	7.9	8.6	9.0	-5.7	-0.4	-1.2	1.3	8.6	8.1	8.1	8.0	8.1
20.	TOTAL NONMANUFACTURING	1319.7	1320.7	1302.8	1298.5	1296.3	2.9	2.9	-0.6	1.3	1236.4	1272.5	1309.1	1301.8	1319.1
21.	MINING	1.2	1.2	1.1	1.1	1.1	-11.9	-7.7	-5.0	0.0	1.5	1.3	1.2	1.1	1.1
22.	CONSTRUCTION	68.4	66.6	62.0	61.2	61.4	-4.2	-0.2	-9.5	0.8	71.1	68.1	67.9	61.5	62.0
23.	TRANSP, COMM & PUB UT	129.8	129.7	126.0	125.2	124.7	1.0	5.9	-2.8	1.8	120.3	121.5	128.7	125.1	127.4
24.	TRANSPORTATION	77.0	83.4	73.9	69.5	73.3	-4.6	6.0	-5.2	2.5	76.5	73.0	77.3	73.3	75.1
25.	COMMUNICATION & UTILITY	52.8	46.4	52.1	55.7	51.4	10.9	5.8	0.8	1.0	43.8	48.6	51.4	51.8	52.3
26.	WHOLESALE & RETAIL TRADE	405.9	403.7	401.5	398.0	395.2	1.5	-0.4	-1.7	0.6	399.7	405.7	404.2	397.2	399.7
27.	WHOLESALE TRADE	138.9	139.0	140.1	140.5	139.3	0.9	-0.6	1.3	0.6	137.8	139.1	138.3	140.0	140.8
28.	DURABLE GOODS	93.8	94.0	95.3	95.8	95.0	-0.4	-3.8	1.6	0.4	98.2	97.7	94.0	95.5	95.9
29.	NONDURABLE GOODS	45.1	45.0	44.8	44.7	44.3	4.2	6.9	0.6	0.9	39.7	41.4	44.2	44.5	44.9
30.	RETAIL TRADE	267.0	264.8	261.4	257.5	255.9	1.8	-0.2	-3.3	0.7	261.9	266.6	266.0	257.2	258.9
31.	FINANCE, INSUR & RL EST	107.4	107.6	109.1	108.4	107.4	2.4	1.8	0.4	1.0	103.5	106.0	107.9	108.3	109.4
32.	FINANCE	45.5	45.6	46.3	46.7	46.2	1.5	1.3	0.6	0.4	44.8	45.5	46.1	46.4	46.6
33.	INSURANCE	39.9	40.1	40.5	40.4	40.2	3.1	3.4	2.6	2.7	36.9	38.1	39.4	40.4	41.5
34.	REAL ESTATE	21.9	21.9	22.3	21.4	21.0	3.0	-0.0	-3.8	-0.9	21.7	22.3	22.3	21.5	21.3
35.	SERVICES	382.8	386.2	375.5	377.5	380.2	6.6	4.8	1.6	2.1	336.7	359.1	376.5	382.4	390.5
36.	HOTELS & OTHER LODGING	23.4	23.3	23.8	23.5	23.3	0.2	-0.5	0.7	4.7	23.5	23.6	23.4	23.6	24.7
37.	BUSINESS SERVICES	105.2	106.3	107.5	106.6	104.3	8.4	5.6	0.3	1.3	92.8	100.6	106.2	106.5	107.9
38.	HEALTH SERVICES	70.5	71.0	71.9	73.1	73.4	5.9	5.6	4.6	4.8	62.7	66.4	70.1	73.3	76.8
39.	GOVERNMENT	224.3	225.7	227.6	227.0	226.4	3.6	5.6	1.6	1.2	203.7	210.9	222.6	226.2	229.0
40.	FEDERAL GOVERNMENT	45.1	45.1	44.4	44.1	43.8	0.4	3.6	-2.9	-0.7	43.5	43.6	45.2	43.9	43.6
41.	DEFENSE	5.7	5.5	5.5	5.5	5.5	1.4	-5.6	-4.4	-1.8	6.0	6.1	5.8	5.5	5.4
42.	OTHER FEDERAL	39.4	39.6	38.8	38.6	38.2	0.2	5.1	-2.7	-0.5	37.5	37.5	39.5	38.4	38.2
43.	STATE & LOCAL GOVERNMENT	179.2	180.5	183.3	182.9	182.6	4.4	6.1	2.8	1.7	160.2	167.3	177.4	182.3	185.4
44.	STATE GOVERNMENT	47.8	48.4	48.8	48.7	48.7	7.7	7.7	2.6	0.2	40.8	43.9	47.3	48.5	48.6
45.	STATE EDUCATION	18.2	18.9	19.5	19.5	19.4	12.4	13.6	8.3	1.6	14.0	15.7	17.8	19.3	19.6
46.	OTHER STATE GOVT	29.6	29.6	29.3	29.2	29.3	5.3	4.4	-0.9	-0.7	26.8	28.2	29.5	29.2	29.0
47.	LOCAL GOVERNMENT	131.3	132.1	134.5	134.2	134.2	3.3	5.5	2.8	2.2	119.4	123.4	130.1	133.8	136.8
48.	LOCAL EDUCATION	65.7	65.1	65.6	66.1	66.0	4.1	5.2	2.5	2.3	58.8	61.2	64.4	66.0	67.5
49.	OTHER LOCAL GOVT	65.5	67.2	68.8	68.3	68.2	2.5	5.7	3.2	2.2	60.6	62.2	65.7	67.8	69.3
50.	TOTAL NONAG. PAYROLL	1492.9	1491.4	1470.0	1466.8	1465.6	2.1	2.2	-0.9	1.4	1421.2	1450.8	1482.7	1469.2	1489.8
51.	CIVILIAN UNEMPL. RATE	4.7	4.8	5.3	5.7	6.2					5.2	5.2	5.2	5.7	5.9

Source : Data (in 1000's) seasonally adjusted by Forecasting Center.
June(P) is seasonally adjusted preliminary June employment. 1991(F), and 1992(F) are forecasted values.

Table 4

Atlanta Personal Income for 1985-89 with Forecasts through 1992

Georgia State University
College of Business Administration
Economic Forecasting Center
August 1991

Description Annual Personal Income	Annual Average 1986	1987	1988	1989	1990(F)	1991(F)	1992(F)	Annual Percentage Change 87/86	88/87	89/88	90/89(F)	91/90(F)	92/91(F)
By Place of Residence													
1. Total Personal Income	42124	46193	50408	53715	57422	58828	62669	9.7	9.1	6.6	6.9	2.4	6.5
2. Nonfarm Personal Income	41971	46065	50265	53549	57272	58681	62508	9.8	9.1	6.5	7.0	2.5	6.5
3. Farm Personal Income	153	128	143	166	150	147	161	-16.5	12.2	15.7	-9.5	-2.0	9.5
Derivation of Income													
4. Total Earnings	35798	39503	43045	45156	48142	49097	52456	10.4	9.0	4.9	6.6	2.0	6.8
5. less: SSI Contribution	2060	2258	2539	2732	2929	3072	3290	9.6	12.4	7.6	7.2	4.9	7.1
6. plus: Residence Adj	-1038	-1179	-1273	-1206	-1176	-1093	-1104	13.6	7.9	-5.3	-2.5	-7.1	1.0
7. equals: Net Earnings	32699	36066	39234	41218	44037	44931	48061	10.3	8.8	5.1	6.8	2.0	7.0
8. plus: Div, Int, Rent	5619	6042	6727	7709	8157	8140	8425	7.5	11.3	14.6	5.8	-0.2	3.5
9. plus: Transfer Paymnts	3805	4085	4448	4788	5228	5757	6182	7.4	8.9	7.6	9.2	10.1	7.4
By Place of Work													
10. Components of Earnings													
11. Wages and Salaries	30082	33160	36094	37775	40236	40976	43823	10.2	8.8	4.7	6.5	1.8	6.9
12. Other Labor Income	2848	3116	3362	3536	3791	3938	4214	9.4	7.9	5.2	7.2	3.9	7.0
13. Proprietors Income	2868	3226	3589	3845	4115	4183	4418	12.5	11.2	7.1	7.0	1.6	5.6
14. Farm	144	118	134	156	139	135	148	-17.8	13.3	16.9	-11.1	-2.9	9.6
15. Nonfarm	2724	3108	3455	3688	3976	4048	4270	14.1	11.2	6.7	7.8	1.8	5.5
Earnings By Industry													
16. Farm	153	128	143	166	150	147	161	-16.5	12.2	15.7	-9.5	-2.0	9.5
17. Nonfarm	35645	39375	42902	44990	47992	48950	52295	10.5	9.0	4.9	6.7	2.0	6.8
18. Private	31352	34630	37697	39311	41816	42403	45483	10.5	8.9	4.3	6.4	1.4	7.3
19. Ag Svc, Fish, Etc	115	136	147	167	175	177	183	17.7	8.0	14.3	4.5	1.1	3.2
20. Mining	52	60	62	64	64	61	65	14.4	3.3	3.6	-0.5	-3.8	5.6
21. Construction	2540	2655	2804	2688	2801	2481	2600	4.5	5.6	-4.2	4.2	-11.4	4.8
22. Manufacturing	5322	5655	5842	5679	5784	5663	6096	6.3	3.3	-2.8	1.9	-2.1	7.6
23. Nondurable Goods	2228	2392	2585	2640	2728	2695	2873	7.4	8.1	2.1	3.3	-1.2	6.6
24. Durable Goods	3095	3263	3256	3038	3057	2968	3223	5.4	-0.2	-6.7	0.6	-2.9	8.6
25. Trans and Pub Utils	4101	4586	4871	4983	5591	5658	6093	11.8	6.2	2.3	12.2	1.2	7.7
26. Wholesale Trade	4586	4954	5594	5967	6021	6165	6547	8.0	12.9	6.7	0.9	2.4	6.2
27. Retail Trade	3692	4044	4374	4517	4571	4443	4674	9.5	8.2	3.3	1.2	-2.8	5.2
28. Fin, Ins, and RE	3021	3532	3810	3952	4252	4444	4755	16.9	7.9	3.7	7.6	4.5	7.0
29. Services	7921	9002	10172	11283	12558	13311	14469	13.7	13.0	10.9	11.3	6.0	8.7
30. Gvt and Gvt Entprs	4293	4745	5205	5678	6176	6546	6812	10.5	9.7	9.1	8.8	6.0	4.1
31. Federal, Civilian	1122	1218	1347	1428	1518	1574	1594	8.6	10.6	6.0	6.3	3.7	1.3
32. Military	260	274	284	294	294	294	319	5.7	3.6	3.3	-0.0	0.0	8.6
33. State and Local	2912	3253	3573	3957	4365	4679	4899	11.7	9.9	10.7	10.3	7.2	4.7
34. % of GA Nonfarm	51.6	52.3	52.6	52.5	52.7	52.8	53.0						
35. Population	2569	2656	2737	2787	2834	2870	2905	3.4	3.0	1.8	1.7	1.3	1.2

Source : Bureau of Economic Analysis
1990(F), 1991(F) and 1992(F) are forecasted values.

TABLE 5

METRO ATLANTA HOUSING PERMITS
FOR 1988 THROUGH 1990 WITH FORECASTS THROUGH 1992

Georgia State University
College of Business Administration
Economic Forecasting Center
August 1991

COUNTY	III90 SINGLE	III90 MULTI	VI90 SINGLE	VI90 MULTI	I91 SINGLE	I91 MULTI	II91 SINGLE	II91 MULTI	1988 SINGLE	1988 MULTI	1989 SINGLE	1989 MULTI	1990 SINGLE	1990 MULTI	1991(F) SINGLE	1991(F) MULTI	1992(F) SINGLE	1992(F) MULTI
BARROW	48	0	52	0	49	0	54	0	253	10	222	48	242	0	190	0	200	0
BUTTS	31	0	19	0	14	0	24	0	128	6	103	0	97	4	95	0	100	0
CHEROKEE	245	1	197	0	264	8	345	0	1700	43	1136	17	1053	16	1100	20	1160	30
CLAYTON	230	5	179	0	196	74	259	7	1475	1319	1102	1199	949	447	800	150	790	100
COBB	607	55	442	152	636	2	802	0	4231	1567	2958	1367	2530	285	2400	100	2450	250
COWETA	201	0	166	0	170	0	232	0	873	53	833	231	824	2	770	0	770	0
DEKALB	553	469	655	154	321	12	481	45	2940	4589	2280	2653	2285	1354	2020	200	2000	250
DOUGLAS	103	18	76	19	107	119	163	8	895	647	541	899	505	41	420	150	420	100
FAYETTE	167	0	174	2	176	0	243	0	1221	7	892	368	826	10	660	0	670	0
FORSYTH	156	0	130	0	113	0	161	0	826	4	748	7	678	0	440	0	450	0
FULTON	696	605	464	110	1325	22	560	131	3961	4978	3440	4347	3149	3013	2820	300	2650	350
GWINNETT	899	484	718	57	935	19	1130	0	4551	1238	3851	437	3448	588	3600	150	3740	200
HENRY	263	14	193	128	266	8	322	0	1412	151	1083	210	1085	198	1040	50	1020	100
NEWTON	132	0	105	0	125	0	177	0	449	80	532	194	558	80	520	0	500	0
PAULDING	243	0	178	0	207	0	306	0	893	2	689	80	917	0	920	0	960	0
ROCKDALE	188	4	86	0	103	2	140	0	743	116	567	1	631	4	500	10	510	10
SPALDING	63	4	27	16	51	0	56	6	321	304	308	36	239	26	180	10	200	10
WALTON	158	24	71	0	119	0	139	0	562	74	481	34	472	26	490	0	530	0
TOTAL: SINGLE & MULT	4983	1683	3932	644	5177	266	5594	197	27434	15188	21766	12128	20488	6094	18965	1140	19120	1400
% CHANGE FROM PREVIOUS QUARTER/YEAR	-4.4	-50.5	-14.4	-79.2	-13.2	-92.2	-0.2	-43.7	-8.9	35.3	-20.7	-20.1	-5.9	-49.8	-7.4	-81.3	0.8	22.8
TOTAL PERMITS (SINGLE + MULTI)	6666		4576		5443		5791		42622		33894		26582		20105		20520	
% CHANGE IN TOTAL (SINGLE + MULTI)	-22.6		-40.5		-42.0		-2.8		3.1		-20.5		-21.6		-24.4		2.1	
ESTIMATED POTENTIAL ABSORPTION (000)									42.9		27.3		25.7		20.2		19.7	

Source : Homebuilders Association of Metro Atlanta
1991(F) and 1992(F) are forecasted values

The Georgia State University Economic Forecasting Center collects data, engages in analysis of macro-economic systems and develops procedures that aid in the creation of econometric descriptions of the national, regional and local economies. Our research is sponsored by the Georgia State University College of Business Administration and receives financial support from the following organizations:

ATLANTA CAPITAL MANAGEMENT • Since 1990
BANKERS FIRST FEDERAL SAVINGS • Since 1983
BELLSOUTH CORPORATION • Since 1983
THE CITIZENS AND SOUTHERN NATIONAL BANK • Since 1973
THE COCA-COLA COMPANY • Since 1973
E.C.C. AMERICA, INC. • Since 1979
FEDERAL HOME LOAN BANK OF ATLANTA • Since 1989
FULTON FEDERAL SAVINGS AND LOAN ASSOCIATION • Since 1978
GEORGIA-PACIFIC CORPORATION • Since 1983
GEORGIA POWER COMPANY • Since 1990
THE HOME DEPOT, INC. • Since 1991
JGA CORPORATION • Since 1989
LOWE'S COMPANIES, INC. • Since 1983
(NORTH WILKESBORO, NORTH CAROLINA)
MARTA • Since 1991
MORGAN, KEEGAN AND COMPANY, INC. • Since 1975
(MEMPHIS, TENNESSEE)
OGLETHORPE POWER CORPORATION • Since 1983
PHYSICIANS GLOBAL MORTGAGE CORPORATION • Since 1990
PRYOR, MCCLENDON, COUNTS & COMPANY • Since 1988
THE ROBINSON-HUMPHREY COMPANY, INC. • Since 1976
ROCK-TENN COMPANY • Since 1989
SHERSON LEHMAN HUTTON • Since 1988
STATE MUTUAL INSURANCE COMPANY • Since 1990
TOWERS, PERRIN, FORSTER & CROSBY • Since 1990
TRIMBLE HOUSE CORPORATION • Since 1983
TRUST COMPANY OF GEORGIA • Since 1973
UNITED FAMILY LIFE INSURANCE COMPANY • Since 1987
VULCAN MATERIALS COMPANY • Since 1985
(BIRMINGHAM, ALABAMA)
WACHOVIA BANK OF GEORGIA N.A. • Since 1973

Georgia State University, a unit of the University System of Georgia, is an equal opportunity educational institution and is an equal opportunity/affirmative action employer.